

104
HEARING BY JOINT SUBCOMMITTEES ON FINANCIAL
MANAGEMENT IN THE NATIONAL PARK
SERVICE

Y 4. AP 6/1:F 49

SIGHT HEARING

Hearing by Joint Subcommittees on F... BEFORE THE

SUBCOMMITTEES OF THE

KF27
A6484
1995a
COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON THE DEPARTMENT OF THE
INTERIOR AND RELATED AGENCIES

AND THE

COMMITTEE ON RESOURCES
SUBCOMMITTEE ON NATIONAL PARKS, FORESTS
AND LANDS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

MANAGEMENT ACCOUNTABILITY OF THE NATIONAL
PARK SERVICE AND REVIEW OF THE NATIONAL
PARK SERVICE REORGANIZATION PLAN

FEBRUARY 9, 1995—WASHINGTON, DC

Serial No. 104-2 (Committee on Resources)



Printed for the use of the Committees on Resources and Appropriations

U.S. GOVERNMENT PRINTING OFFICE

89-670 CC

WASHINGTON : 1995

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402

ISBN 0-16-047090-0

CONGRESSIONAL DEPOSITORY
JUN 26 1995
BOSTON PUBLIC LIBRARY
CONGRESSIONAL DOCUMENTS DEPARTMENT

HEARING BY JOINT SUBCOMMITTEES ON FINANCIAL MANAGEMENT IN THE NATIONAL PARK SERVICE

AP 6/1:F 49

SIGHT HEARING

ing by Joint Subcommittees on F... BEFORE THE

SUBCOMMITTEES OF THE

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

AND THE

COMMITTEE ON RESOURCES

SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

MANAGEMENT ACCOUNTABILITY OF THE NATIONAL PARK SERVICE AND REVIEW OF THE NATIONAL PARK SERVICE REORGANIZATION PLAN

FEBRUARY 9, 1995—WASHINGTON, DC

Serial No. 104-2 (Committee on Resources)



Printed for the use of the Committees on Resources and Appropriations

U.S. GOVERNMENT PRINTING OFFICE

89-670 CC

WASHINGTON : 1995

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-047090-0

COMMITTEE ON APPROPRIATIONS

BOB LIVINGSTON, Louisiana, *Chairman*

JOSEPH M. McDADE, Pennsylvania
JOHN T. MYERS, Indiana
C. W. BILL YOUNG, Florida
RALPH REGULA, Ohio
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
TOM DeLAY, Texas
JIM KOLBE, Arizona
BARBARA F. VUCANOVICH, Nevada
JIM LIGHTFOOT, Iowa
RON PACKARD, California
SONNY CALLAHAN, Alabama
JAMES T. WALSH, New York
CHARLES H. TAYLOR, North Carolina
DAVID L. HOBSON, Ohio
ERNEST J. ISTOOK, JR., Oklahoma
HENRY BONILLA, Texas
JOE KNOLLENBERG, Michigan
DAN MILLER, Florida
JAY DICKEY, Arkansas
JACK KINGSTON, Georgia
FRANK RIGGS, California
RODNEY P. FRELINGHUYSEN, New Jersey
ROGER F. WICKER, Mississippi
MICHAEL P. FORBES, New York
GEORGE R. NETHERCUTT, JR., Washington
JIM BUNN, Oregon
MARK W. NEUMANN, Wisconsin

DAVID R. OBEY, Wisconsin
SIDNEY R. YATES, Illinois
LOUIS STOKES, Ohio
TOM BEVILL, Alabama
JOHN P. MURTHA, Pennsylvania
CHARLES WILSON, Texas
NORMAN D. DICKS, Washington
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
VIC FAZIO, California
W. G. (BILL) HEFNER, North Carolina
STENY H. HOYER, Maryland
RICHARD J. DURBIN, Illinois
RONALD D. COLEMAN, Texas
ALAN B. MOLLOHAN, West Virginia
JIM CHAPMAN, Texas
MARCY KAPTUR, Ohio
DAVID E. SKAGGS, Colorado
NANCY PELOSI, California
PETER J. VISCLOSKEY, Indiana
THOMAS M. FOGLIETTA, Pennsylvania
ESTEBAN EDWARD TORRES, California
NITA M. LOWEY, New York
RAY THORNTON, Arkansas

JAMES W. DYER, *Clerk and Staff Director*

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

RALPH REGULA, Ohio, *Chairman*

JOSEPH M. McDADE, Pennsylvania
JIM KOLBE, Arizona
JOE SKEEN, New Mexico
BARBARA F. VUCANOVICH, Nevada
CHARLES H. TAYLOR, North Carolina
GEORGE R. NETHERCUTT, JR., Washington
JIM BUNN, Oregon

SIDNEY R. YATES, Illinois
NORMAN D. DICKS, Washington
TOM BEVILL, Alabama
DAVID E. SKAGGS, Colorado

NOTE: Under Committee Rules, Mr. Livingston, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all subcommittees.

DEBORAH WEATHERLY, LORETTA BEAUMONT, MARK MIODUSKI, AND JOEL KAPLAN, *Staff Assistants*

COMMITTEE ON RESOURCES

DON YOUNG, Alaska, *Chairman*

JAMES V. HANSEN, Utah
JIM SAXTON, New Jersey
ELTON GALLEGLY, California
JOHN J. DUNCAN, JR., Tennessee
JOEL HEFLEY, Colorado
JOHN T. DOOLITTLE, California
WAYNE ALLARD, Colorado
WAYNE T. GILCHREST, Maryland
KEN CALVERT, California
RICHARD W. POMBO, California
PETER G. TORKILDSEN, Massachusetts
J.D. HAYWORTH, Arizona
FRANK A. CREMEANS, Ohio
BARBARA CUBIN, Wyoming
WES COOLEY, Oregon
HELEN CHENOWETH, Idaho
LINDA SMITH, Washington
GEORGE P. RADANOVICH, California
WALTER B. JONES, JR., North Carolina
WILLIAM M. (MAC) THORNBERRY, Texas
RICHARD (DOC) HASTINGS, Washington
JACK METCALF, Washington
JAMES B. LONGLEY, Maine
JOHN B. SHADEGG, Arizona

GEORGE MILLER, California
NICK J. RAHALL II, West Virginia
BRUCE F. VENTO, Minnesota
DALE E. KILDEE, Michigan
PAT WILLIAMS, Montana
SAM GEJDENSON, Connecticut
BILL RICHARDSON, New Mexico
PETER A. DEFAZIO, Oregon
ENI F.H. FALEOMAVAEGA, American Samoa
TIM JOHNSON, South Dakota
NEIL ABERCROMBIE, Hawaii
GERRY E. STUDDS, Massachusetts
W.J. (BILLY) TAUZIN, Louisiana
SOLOMON P. ORTIZ, Texas
CALVIN M. DOOLEY, California
CARLOS A. ROMERO-BARCELO, Puerto Rico
NATHAN DEAL, Georgia
MAURICE D. HINCHEY, New York
ROBERT A. UNDERWOOD, Guam
SAM FARR, California

DANIEL VAL KISH, *Chief of Staff*
CHRISTINE KENNEDY, *Chief Clerk*
JOHN LAWRENCE, *Minority Staff Director*
DAVID DYE, *Chief Counsel*

SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS

JAMES V. HANSEN, Utah, *Chairman*

JOHN J. DUNCAN, JR., Tennessee
JOEL HEFLEY, Colorado
JOHN T. DOOLITTLE, California
WAYNE ALLARD, Colorado
RICHARD W. POMBO, California
PETER G. TORKILDSEN, Massachusetts
J.D. HAYWORTH, Arizona
BARBARA CUBIN, Wyoming
WES COOLEY, Oregon
HELEN CHENOWETH, Idaho
LINDA SMITH, Washington
GEORGE P. RADANOVICH, California
JOHN B. SHADEGG, Arizona

BILL RICHARDSON, New Mexico
NICK J. RAHALL II, West Virginia
BRUCE F. VENTO, Minnesota
DALE E. KILDEE, Michigan
PAT WILLIAMS, Montana
ENI F.H. FALEOMAVAEGA, American Samoa
GERRY E. STUDDS, Massachusetts
CARLOS A. ROMERO-BARCELO, Puerto Rico
NATHAN DEAL, Georgia
MAURICE D. HINCHEY, New York
ROBERT A. UNDERWOOD, Guam

ALLEN FREEMYER, *Staff Director/Counsel*
STEVE HODAPP, *Professional Staff*

CONTENTS

	Page
Hearing held February 9, 1995	1
Statements of Members:	
Chenowith, Hon. Helen, a U.S. Representative from Idaho	26
Cooley, Hon. Wes, a U.S. Representative from Oregon	31
Hansen, Hon. James V., a U.S. Representative from Utah and Chairman, Subcommittee on National Parks, Forests and Lands	2
Regula, Hon. Ralph, a U.S. Representative from Ohio	1
Richardson, Hon. Bill, a U.S. Representative from New Mexico	21
Prepared statement	23
Torkildsen, Hon. Peter G., a U.S. Representative from Massachusetts	45
Vento, Hon. Bruce F., a U.S. Representative from Minnesota	41
Statements of witnesses:	
Chandler, William J., Director of Conservation Policy, National Parks and Conservation Association	11
Prepared statement	53
Cohen, Bonnie, Assistant Secretary for Policy Management and Budget, U.S. Department of the Interior	17
Duffus, James III, Director, National Resources Management Issues, U.S. Accounting Office	3
Prepared statement	58
Fleischman, Joyce N., Deputy Inspector General, U.S. Department of the Interior	6
Prepared statement	72
Frampton, George, Assistant Secretary for Fish, Wildlife and Parks, U.S. Department of the Interior	19
Kennedy, Roger, Director, National Park Service, U.S. Department of the Interior	13
Prepared statement	86
Additional material supplied:	
Kennedy, Roger (National Park Service):	
National Park Service protocol report: Accounting System Improve- ment Project: Project Plan	94
Report on land that NPS has in its possession	109
Report on land that NPS intends to acquire	119
Line-by-line report on assets	120
Additional information requested in letter of February 28, 1995, by Hon. James V. Hansen, Chairman, Subcommittee on National Parks, Forests and Lands	122

FINANCIAL MANAGEMENT IN THE NATIONAL PARK SERVICE

THURSDAY, FEBRUARY 9, 1995

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON INTERIOR & RELATED AGENCIES, COMMITTEE ON APPROPRIATIONS, JOINT WITH THE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS & LANDS, COMMITTEE ON RESOURCES
Washington, DC.

The subcommittees met, pursuant to call, at 10:00 a.m., in room 1324, Longworth House Office Building, Hon. James V. Hansen, [chairman of the Subcommittee on National Parks, Forests & Lands] presiding.

Mr. HANSEN. I call this committee meeting to order. It is 10 o'clock. We appreciate you being here. This is a joint meeting of the authorizing National Park, Forest & Land Subcommittee and the Subcommittee on Interior & Related Agencies, Appropriations Subcommittee. We welcome our witnesses here. I will turn to my colleague from Ohio, the Chairman of the Appropriations Subcommittee, Mr. Regula.

STATEMENT OF HON. RALPH REGULA, A U.S. REPRESENTATIVE FROM OHIO, AND CHAIRMAN, INTERIOR SUBCOMMITTEE, COMMITTEE ON APPROPRIATIONS

Mr. REGULA. Thank you, Mr. Chairman. Let me say this is an historic hearing. I think it is a unique experiment having the authorizing and the Appropriations Committee have a joint hearing, but we share a common responsibility, and it certainly offers an opportunity to hear from these witnesses on matters that affect both committees.

Let me begin by saying that I believe the Park Service, and the land management agencies in general, are made up of some of the most dedicated employees in government. Today we will talk some about accountability and management. I am all for good management. What the election was about in November was not eliminating government but making it more efficient, more effective, and making it work better for people, and in that context, I think it is appropriate to discuss the mission and management of all government agencies including the Park Service.

I am not persuaded that we can or should establish one cookie-cutter recipe to manage all the National Parks. The units of the Park System are diverse. They run the gamut from the crown jewels of Yellowstone, Yosemite, and the Grand Canyon to our newer urban recreation areas such as Gateway, Golden Gate, and Cuyahoga and historic sites and monuments such as Tuskegee, Palo

Alto Battlefield, the system's smallest unit, Thaddeus Kosciuszko National Memorial in Philadelphia, our national lakeshores and seashores including Cape Cod and Canaveral and on and on.

Each has a diverse mission and each has different challenges, and I think it would be a mistake, if not impossible, to establish a uniform approach to management. In my view, it is incumbent upon the Park Service to empower their superintendents to manage these units efficiently and effectively to meet the needs of the individual park as well as the needs of the Park Service as a whole, and, most importantly, the needs of the American people whom we all serve. It has been my experience that they do, and I am not aware of any \$600 ashtray stories about the Park Service.

Today, we will get an opportunity to hear what you, Director Kennedy, believe are the challenges facing the Park Service and specifically how you plan to address those in the months ahead. And we are, of course, challenged with the growing popularity of the parks. I understand visitation was up 10 percent last year, and I think that will be a continuing pattern. So we appreciate the witnesses coming and appreciate your hosting our joint meeting here, Mr. Chairman.

Mr. HANSEN. Thank you, Mr. Regula. I don't see Mr. Livingston here so I think I will give my opening statement at this time.

STATEMENT OF HON. JAMES HANSEN, A U.S. REPRESENTATIVE FROM UTAH, AND CHAIRMAN, SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS, COMMITTEE ON RESOURCES

Mr. HANSEN. I think that we are all here today because we love the National Park Service and/or because the National Park Service is very important to our constituents. Those of us who have followed the plight of the National Park Service in recent years have watched as parks have fallen into disrepair and essential visitor needs have gone unmet. We know there is a daunting task in front of us, a task which is going to take the combined effort of all of us if we are going to rescue this agency.

While Congress must take some of the responsibility for piling so many new parks and other Federal mandates on the agency's plate, the amount of financial support the agency had received from the Congress is really commendable. In the last 12 years, the Appropriation Committee has more than doubled the operating budget of the National Park Service; yet, we don't seem to be making any real progress on the backlogs in park operation, land acquisition, or construction.

In 1991, the National Park Service reported to Congress an operational backlog of \$377 million. Four years later, after Congress has increased the National Park Service operating budget by \$308 million, the reported backlog has more than doubled to \$846 million. I don't understand why the goalposts keep moving back.

I am even more concerned when the Interior Inspector General reports that the National Park Service cannot balance its books or when the GAO reports that the National Park Service is not spending its funds in the manner directed by Congress and cannot verify the accuracy of its backlog estimates. There are also significant questions about how the National Park Service is spending tens of

millions of dollars in special, nonappropriated funds. However, in my mind, this is not an issue of the National Park Service financial system; rather, it is clearly an issue of management accountability.

I am really amazed during my years here in Congress that we can't learn to live within our income. I often think of my grandmother who used to always say, "Fix it up, wear it out, make it do or do without." As corny as that may sound, I think that should almost be the slogan for most of our people who work in the government.

I intend to make the restoration of the Park Service a top priority of my chairmanship. However, these are not problems which Congress can solve alone. We will need the National Park Service to account for every nickel it receives, to work with us to establish some reasonable goals of what can be accomplished within the limited financial resources available, and then to work together with us to accomplish these goals.

I look forward to our hearing today as a first step in achieving an understanding which will allow us to make progress in that direction. I want to thank the witnesses and members for their participation today.

Mr. HANSEN. Mr. Chairman?

Mr. REGULA. Yes. I see that our Ranking Minority Member, Mr. Yates, is not here. It is yours.

Mr. HANSEN. And neither is our Ranking Minority Member, Mr. Richardson, and neither is Mr. Livingston. Should we go to the witnesses and include them when we come back?

Mr. REGULA. Right. I think we are ready to hear from our witnesses. The order is the GAO, the IG, the National Parks and Conservation Association, and Director Kennedy with Assistant Secretary Frampton and Bruce Shaffer. Our plan is that we will hear from all the witnesses, and then we will open it to questions from the members of both subcommittees.

STATEMENT OF JAMES DUFFUS III, DIRECTOR, NATIONAL RESOURCES MANAGEMENT ISSUES, RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION, U.S. GENERAL ACCOUNTING OFFICE

Mr. DUFFUS. Thank you, Messrs. Chairmen. My name is James Duffus, and I am the Director of Natural Resources Management Issues in the General Accounting Office. Members of the subcommittee and Messrs. Chairmen, I am pleased to be here today to discuss efforts by the National Park Service to improve its financial and program data, internal controls, and performance measures and to restructure its organization.

Our work has raised two basic concerns about the Park Service. First, the Park Service does not have adequate financial and program data and internal controls to know (1) the nature or extent of many problems relating to the resources it is responsible for fostering, protecting, and preserving, (2) the effectiveness of measures taken to deal with the problems, or (3) where the limited resources should be allocated to do the most good. This is particularly important given the highly decentralized nature of the Park Service and the autonomy of the individual unit managers.

Second, while the Park Service's restructuring plan addresses some of the problems currently facing the agency, such as the need to meet the demands of an expanding system, higher visitor use, and more increasingly complex resource protection problems, the plan does not address the potential to improve operations through a collaborative Federal approach to land management involving Interior's three land management agencies and the Forest Service. It also does not address the functions and programs which could be eliminated or turned over to State and local governments or the private sector.

Time and again, our work, as well as that of the Interior's Inspector General, has shown that the Service lacks the necessary financial and program data, internal controls, and performance measures needed to effectively manage the agency. For example, accompanying the growth in units and visitor use is a growing backlog or shortfall of deferred maintenance and reconstruction needs cited by park managers compared to the funds that are available to meet these needs.

Estimates of the shortfall range from about \$2 billion to over \$4 billion and include everything from unmowed grass and peeling paint to collapsed structures and closed hiking trails. Some park managers report that the deterioration of some assets, including historical buildings, is so advanced that, if not repaired or maintained soon, they may be lost for future generations.

However, our work has raised questions concerning the validity of the data on which the estimates are based and the accountability for the funds appropriated. For example, employee housing needs are included in the backlog estimate. We could not, however, verify the accuracy of the Park Service's \$546 million estimate for employee housing repair and replacement.

Park Service headquarters had not provided guidance to regional offices and park units on how to prepare their estimates, and at 17 parks we reviewed, officials generally could not support them and, in some cases, did not know how they were derived. Our work has also shown that the Park Service lacks basic information on such issues as concessioner operations, threats to parks, and the condition of its natural and cultural resources.

In addition, the Park Service does not have internal controls that provide adequate assurance that funds are used in the most cost-effective manner. For example, in a February 1992 report on maintenance of the National Park System, Interior's Inspector General stated that maintenance funds were being used for administrative and nonmaintenance purposes, and that the Service did not properly account for its revenues.

A September 1994 report by the IG states that the Service had not effectively implemented recommendations in prior IG reports relating to such weaknesses as ineffective controls over cash receipts and disbursements of property, plant, and equipment, nor could it ensure the budgeted funds were adequately tracked and controlled.

On the basis of the IG's recommendation, Interior reported in December of 1994 that the Park Service, together with the Bureau of Indian Affairs, were the only two agencies for which it could not

provide reasonable assurance concerning the integrity of their systems of management, accounting, and administrative control.

Good baseline data and controls are prerequisites for developing effective performance measures to improve accountability and stewardship and to lower costs by focusing on results. In a 1984 report, we concluded that the Park Service did not have a system to plan, organize, direct, and review its maintenance activities and, therefore, could not assure that its assets received needed upkeep and that park maintenance activities were efficient and effective. While now, a decade later, they have developed a system for tracking maintenance activities at the park level, it is not reliable and is not used by Park Service officials to track progress.

Under the Government Performance and Results Act of 1993, the Park Service's efforts will need to be reflected in Interior's annual performance plan beginning with fiscal year 1999. For a given funding level, specific results are expected. Actual program results could then be compared with established goals. For example, a national park may be allocated maintenance funds with the understanding that an established program of work will be accomplished so that conditions will be retained at or brought up to standard. Park superintendents would be held accountable for completing the work. However, the Park Service will not be able to implement a performance measurement system until it develops baseline data and controls.

I would like to turn now briefly to the Park Service's restructuring and reorganization efforts. To meet the goals of the National Performance Review or NPR as well as other administration streamlining directives and legislative mandates, Interior asked each of its agencies, including the Park Service, to review their organizations and identify strategies to reduce layers, increase supervisors' span of control, and reduce headquarters functions while protecting employees who deliver services directly to Interior's customers. The restructuring plan for the Park Service places more personnel and funding in the field, closer to the resources and customers being served. The plan will be implemented over the next four fiscal years at a still-to-be-determined cost.

We believe that the Park Service plan should result in some improvements. However, we have two basic concerns. First, the Park Service's proposed restructuring plan addresses only the efficiency and effectiveness to be derived from the sharing of resources within the agency. The plan does not address similar benefits that could be derived by collocating or combining various functions with the other three Federal land management agencies.

In contrast, the Forest Service has proposed to collocate its regional offices with those of another agriculture agency, the Natural Resources Conservation Service. In addition, the Forest Service's December 1994 reinvention report emphasizes collocation with other government agencies as a means of streamlining, sharing resources, and saving rental costs.

Second, to comply with the second phase of the Administration's NPR initiative, the Park Service is only now being tasked to identify the functions and programs that it could terminate, privatize, or devolve to State or local governments. We believe that any effort to reinvent or downsize government needs to ask the basic ques-

tion: "What can and should the Federal Government do?" However, because this question is only now being asked, the Park Service needs to recognize that this exercise could result in substantial changes to its functions and programs, and it must ensure that its planned restructuring is capable of accommodating such changes.

In summary, Messrs. Chairmen, we have the following observations: First, the Park Service is capable of generating additional revenues. For example, the Congress is considering giving the Park Service more discretion to increase entrance and user fees and reform its concessions policy and to direct at least a portion of the increased revenues back to the units that generated them.

We believe, however, that such discretion and flexibility in the use of Federal funds must be accompanied by improved accountability and stewardship. This would include implementation of long-recommended improvements in the Service's financial and program data and internal controls. Once these improvements are implemented, measurable performance goals can be established and performance indicators to measure accomplishments can be developed on which to lower costs by focusing on results.

Second, we believe that the current fiscal climate demands that the Park Service and other Federal land management agencies work together to reduce costs, increase efficiency, and improve service to the public. Toward this end, we believe that the Park Service needs to work closely with the Congress and other Federal land management agencies to develop a coordinated interagency strategy to link Park Service reforms to reforms being proposed by the other agencies.

Finally, we believe that the Park Service's restructuring plan must ultimately incorporate the results of a thorough sorting out of the functions and programs that are essential and are not essential to its mission.

That concludes my summary statement, Messrs. Chairmen, and I would request that my detailed statement be submitted in the record. I would be glad to respond to any questions that you or other members of the subcommittee may have.

Mr. REGULA. Without objection the statement will be made a part of the record. We thank you.

[The prepared statement of Mr. Duffus can be found at the end of the hearing.]

Mr. REGULA. Next, we will hear from the Inspector General.

STATEMENT OF JOYCE N. FLEISCHMAN, DEPUTY INSPECTOR GENERAL, U.S. DEPARTMENT OF THE INTERIOR

Ms. FLEISCHMAN. Good morning. Chairman Hansen, Chairman Regula, members of the subcommittees, my name is Joyce Fleischman, and I am the Deputy Inspector General at the Department of the Interior. I have a fairly detailed statement this morning which I would like to have read into the record.

Mr. REGULA. Without objection it will be made part of the record.

Ms. FLEISCHMAN. Thank you, sir. I would like to talk to you today fairly briefly about the results of our audits with respect to the financial management of the National Park Service and with respect to the area that most of us refer to as maintenance activities; a normal, everyday part of Park Service work. We would like

to talk about maintenance as an example, if you will, of how financial management is tied to and is inextricably a part of day-to-day operations of any entity and certainly the National Park Service.

Most recently, we have completed a required audit under the Chief Financial Officer's Act, and that audit is of the financial statement of the National Park Service. This is the third time that we have attempted to audit a financial statement produced by the National Park Service. It is the third time that we have been unable to audit that statement. The reason for that is the fundamental lack of accounting data to back up what they say in their financial statement.

Overall, the information contained in the financial statements that we have reviewed is not accurate, reliable, or supported by the accounting system in the National Park Service. We believe that fundamentally this is due to a lack of commitment in the past by the National Park Service to place a sufficiently high priority on management controls and accurate financial data. Consequently, simple accounting errors are not detected or not detected or corrected, and the usefulness of financial data for general purposes of management such as planning, budgeting for routine operations is lost.

Some examples of the inaccurate accounting and the consequences thereof include: On the financial statement, the Park Service listed \$6.6 billion worth of assets and \$68 million for liabilities. There is insufficient data to back up those numbers, and, frankly, until the Park Service can accurately account for what it owns and what it owes, it cannot adequately plan for the use of its resources to accomplish its mission and goals.

The Park Service's financial statement for fiscal year 1993 included a number—\$73 million balance in one receivable account. That number did not have sufficient data in the accounting system to indicate accuracy. Without adequate records, the Park Service will not be able to determine what it is owed and to bill appropriately for those debts.

One thing I would like to emphasize, while these may seem to be simple accounting errors that have no relevance to the day-to-day operation of the National Park Service or the individual parks, they represent a fundamental lack of sound, accurate financial data that is essential to any entity, be it an individual, family or a major enterprise, to carry out its affairs responsibly.

Such information as how much money you have, how much money you have spent or how much money you are owed, if any, and how much it will take for short- and long-term operations is absolutely essential to any operation. The Park Service is no different in this respect than any other enterprise.

We have noted over the years on a number of audits additional examples of weak financial management in the Park Service. First of all, I would like to emphasize that we have noted that the Park Service has adopted a standardized accounting system. This is the Department of Interior's standardized accounting system which is used throughout the bureaus and agencies that make up the Department.

The Park Service, however, when it implemented this system, did not include a full transfer of all data from its previous account-

ing system into that one so, in effect, what you had is bad data and insufficient data going into a new automated accounting system. Further, we learned when we reviewed their implementation that the system was not implemented to utilize certain features—automatic processing features. The data remains uncorrected, and the system is not fully implemented at this point. Until they do that, they will be unable to produce either an auditable financial statement or to fully use the system and financial data in the Service's day-to-day operations.

We have also looked at their accounting for personal property. We reported in our report on that audit that some 16,000 property items valued at over \$27 million may be lost, missing, or not verifiable because the Park Service does not have and has not implemented adequate property control procedures. Property values were overstated by more than \$90 million because the Park Service had not ensured that the data maintained in its personal property accounting system were accurate. Examples of this included a vacuum cleaner that is worth approximately \$150 was listed at over \$800,000 in value. A dishwasher that cost \$350 was listed at over \$700,000.

We have also looked at how the National Park Service monitors special accounts that are established by concessioners. These special accounts are established so that the concessioners can deposit or set aside funds in lieu of paying certain franchise fees. In 1992, concessioners in 20 parks deposited over \$13 million in these special accounts. At one park that we looked at, just to give you an example, we found no documentation to support the expenditure of \$1 million although the contract between the concessioner and the National Park Service specifies that the Park Service is to certify actual expenditures from the invoices submitted by the concessioner.

As you know, the Park Service, in some instances, also collects user fees. We have found that they did not adequately account from expenditures made from these revenues. Public Law 100-203 allows the Park Service to retain certain entrance fees and user fees collected for expenditures on legislatively prescribed items. This legislation requires that fee program revenues be deposited in a special United States Treasury account the year that they are collected and be available for distribution to the park units the following year for certain uses. Examples of those uses include resource protection, research, interpretation, and maintenance activities related to resource protection.

The Park Service, however, allowed the individual parks to expend the fee program revenues in the same manner as annual operating appropriations. Because they commingled these moneys, neither we nor the Park Service can determine whether those revenues were expended for the purposes intended by the Congress. To give you some idea of how much money we are talking about, in 1988 and 1989 respectively, \$50.3 million and \$51.4 million were deposited in the special U.S. Treasury account that I mentioned earlier.

I have to emphasize also that many of the recommendations that we have made to the National Park Service in the past as a result of these audits are in the process of being implemented. We remain

concerned, however, about the accuracy of data and the soundness of financial management in the National Park Service particularly based on audits that we are doing now under the Chief Financial Officer's Act.

The latest attempt to audit that statement, as I told you earlier, resulted in a report that we are unable to audit the statement. What that means to us is that there are continuing problems with respect to financial management in the Park Service. Until the Park Service corrects these problems, until they fully account for inaccurate data, the funds that they are receiving and the expenditures of those funds, we don't believe they will be able to adequately plan for and use their resources.

As I indicated earlier, financial management is part and parcel of overall management of any entity, both short-term and long-term planning, all expenditures of funds, all operations. An example of this that we have found in the National Park Service is, as I said earlier, the day-to-day operation of maintenance of the facilities and resources. While not the sole cause of the Service's backlog of maintenance work, inadequate financial management over the years has certainly added to the problem and contributed to the growth of the backlog that they now have.

We have identified some examples of inadequate financial management planning in audits that were specifically directed at maintenance activities in the National Park Service in the past. Such factors include spending money in maintenance funds for nonmaintenance activities, inadequate requests for funds to maintain maintenance projects, and underassessment of park concessioners and other nongovernmental recipients for maintenance work. Each of these problems impairs the Park Service's ability to identify and obtain resources necessary to provide maintenance of park facilities.

Park Service officials themselves have told us in the course of our audits, for example, that under the line item construction appropriation the Park Service constructs new facilities without obtaining corresponding maintenance funds or resources to operate and maintain them. In addition, concessioner special funds, that is, capital improvement and maintenance set-asides at certain parks, have resulted in additional facilities being added to the inventory at a time when parks are having difficulty taking care of existing facilities.

Additionally, Park Service officials have told us that new facilities are sometimes constructed at some parks by using leftover materials from other projects and money from the Park Service's operational and maintenance funds. While new facilities are needed, we believe that they were constructed at the expense of having other maintenance needs deferred, and that they will ultimately result in an increase of the maintenance burden at these particular parks.

In addition, we have identified two internal management practices that hinder the Service's ability to administer an effective preventive maintenance program. These factors are the use of regional program maintenance funds for headquarters and regional office administrative expenses such as space, telephones, and other unexpected or unfunded costs, and for nonmaintenance purposes such as construction activities and major equipment purchases.

For example, \$10 million of the \$269 million received by the Park Service for maintenance in fiscal year 1989 was reprogrammed for nonmaintenance purposes such as administrative costs. \$2.6 million of its fiscal year 1990 maintenance funds was used to pay the District of Columbia for water and sewer charges. Yellowstone National Park used fiscal year 1989 cyclic maintenance funds to help fund the construction of new employee housing that cost about \$1.3 million. As a result of these diversions, funds available for park operational and maintenance purposes were reduced while regional cyclic and repair and rehabilitation maintenance projects were postponed or canceled.

The availability of maintenance funds was further eroded because the Park Service did not adequately assess and recover costs for maintenance and other improvements that directly benefit park concessioners and other nongovernmental recipients. For example, the Sequoia National Park Service spent \$120,000 for work in the giant forest area to replace the water collection distribution system, to repair the sewer system, and to replace the water valve boxes. These are repairs that should have been the concessioner's responsibility.

In another audit, we learned that the Park Service had not adequately pursued cost recovery of approximately \$71 million spent on capital investments for utility services from concessioners and inholders at national parks and other sites. For example, Grand Canyon National Park had not pursued cost sharing for utility capital investments totaling \$20 million. These funds were expended for water system modifications at wastewater treatment facilities. The concessioner's use of these facilities was approximately 80 and 84 percent respectively.

I would like to emphasize that in response to the recommendations that we have made in all of these audit reports, the Park Service has agreed with us that additional funding is required and that it would, through improved management and planning, fully document their needs and submit budget requests that reflect those needs with respect to other Servicewide priorities.

The Service has also agreed that it would place greater emphasis on budget integrity by requiring regions and parks to secure appropriate approval before expending funds for purposes other than those for which the money was allotted. The Park Service has also agreed with the IG that it will pursue the recovery of maintenance costs and cost sharing for capital investment for utility systems that have benefited concessioners.

We need to note that in each of our audits pertaining to maintenance and other operational functions as well, we have noted a recurring theme of how inadequate financial management impairs the Service's ability to carry out its activities. Although we recognize that there are other factors that continue to impact the Park Service's ability, for example, to reduce its maintenance backlog such as insufficient funding and increased visitation, we believe that improved financial management practices would alleviate some of the financial pressures today.

In summary, improved financial management will go far beyond enabling the Park Service to produce auditable financial statements. We believe that improvements in financial management

would enable the Park Service to accomplish its goals and its mission, including maintenance activities, in a more efficient and effective manner. We further believe that improved financial management will enable the Park Service to better support requests for additional funding and to explain how appropriated revenues and moneys have been spent. That concludes my statement. I would be happy to respond to any questions that you may have.

[The prepared statement of Ms. Fleischman can be found at the end of the hearing.]

Mr. REGULA. Thank you. And next we will hear from the National Parks and Conservation Association and with unanimous consent your full statement will be made part of the record.

STATEMENT OF WILLIAM J. CHANDLER, DIRECTOR OF CONSERVATION POLICY, NATIONAL PARKS AND CONSERVATION ASSOCIATION

Mr. CHANDLER. Thank you very much, Mr. Regula and Mr. Hansen, and members of the subcommittee. My name is Bill Chandler. I am representing the National Parks and Conservation Association. For those new members of the committee who may not be familiar with my organization, it is a 501(C)(3) nonprofit citizens organization representing people around the country, over 450,000 members, who are interested in enhancing, maintaining, and protecting a world class National Park System.

The National Park Service is going through some very wrenching changes these days, downsizing, belt-tightening, and even possible recisions. Clearly, new policies and management strategies are needed to enable the Park Service to be more effective and to be more responsive to its clients, the American public. We believe this move to reinvent the Park Service is healthy, and we simply urge these committees to proceed in ways that maintain a first class park system. That, we believe, is what the public wants. They are very much aware of the problems that plague the park system now, and we know that they want them corrected.

In addition, the public recognizes the need for additional funds for the Park Service. Notwithstanding its problems of accounting and financial management, there are a lot of things that are not happening in the parks because they lack the people or the funding to do it. Sources of new funds would include concessions reform, which this body considered last year and passed by a 13 to 1 majority but which did not reach enactment, as well as a reasonable increase in entry fees.

I would next like to make a few remarks about financial management needs in the Park Service. That the Park Service can use additional funding is not doubted. Let me talk a little bit about a survey that we commissioned last year of the park superintendents to see what they, the line managers, thought about both park needs and management trends. Copies of this survey, incidentally, are available here this morning for members of the committee. It is this blue document, and if you would like, we can get you a copy.

I would like to highlight two questions that appeared in this survey. First, we asked, "What is the single biggest problem in preserving the natural and cultural resources in your park?" Of the 235 parks that responded to that question, 92 superintendents

named lack of budget resources as the biggest problem. An additional 58 named budget-related problems such as inadequate staff resources.

We also asked, "What is the single biggest problem in providing to the public use and enjoyment of the park?" Answers to this question followed a similar pattern. Of 207 responses, 54 superintendents cited lack of budget resources as the single biggest problem. An additional 46 responses listed staff shortages and other budget-related issues.

Superintendents are the line managers of the National Park System. These men and women are the true stewards who live with the problems in the parks every day. Whatever the committees' response to the Park Service's management of the budget will be, special attention must be paid to the impact on the line managers. Clearly, if nearly 50 percent of these managers believe that the single biggest problem is related to lack of funds, any additional cuts at the park level will undoubtedly compromise the superintendents' ability to manage the parks in the best possible way.

Finally, I would like to say a few things about reorganization. NPCA supports the rapid implementation of the reorganization plan which the Service has put together over the last year or so in such painstaking fashion. We believe the Park Service has done a good job of dealing with necessary cuts in restructuring which they have been mandated to do in order to put more staff in the parks and to move authority for decisionmaking to the superintendent level.

We do have one concern which I mentioned in our testimony and that is how adequately the system's support offices are going to function. Our concern is that there may not be enough people to put into these offices to service the clusters they are designed to assist. But we understand that NPS intends to give this concept a trial run by locating these offices in existing regional office complexes. We would simply urge that this be done with flexibility in mind and rolled out in a way that if it doesn't work out, some changes can be made.

Finally, I agree with the GAO that it would be useful for the Park Service to begin thinking about innovation, cutting costs, and partnering with other Federal and State agencies in the management of lands. In fact, the Park Service is already doing this in a number of locations. Yesterday, I was able to talk to the Secretary of Resources for the State of California, and he informed me that California Parks and the National Park Service were cooperating at three different sites: Redwoods, Golden Gate, and Santa Monica, and that they had achieved over \$1 million in budget savings by jointly managing the ecosystems in those three areas. So the Park Service is aware that this needs to be done. Clearly, a lot more of this needs to occur, and we would urge NPS to proceed in that direction. This concludes my testimony, and I will be happy to answer any questions after all the testimony is presented.

[The prepared statement of Mr. Chandler can be found at the end of the hearing.]

Mr. REGULA. Thank you, Mr. Chandler. And, Director Kennedy, we are pleased to welcome you. Your full statement will be made a part of the record with unanimous consent, and you may proceed.

**STATEMENT OF ROGER KENNEDY, DIRECTOR, NATIONAL
PARK SERVICE, U.S. DEPARTMENT OF THE INTERIOR**

Mr. KENNEDY. Thank you, sir. I am not going to make a formal statement because it seems to me we have a lot of material on the table this morning. I would like to review very quickly how I think altogether we got here and refer very briefly to the two—well, there are really three reports before you—and try to put my emphasis where I think you want to have it put. Mr. Hansen, in particular, you referred to the essential focus upon accountability, upon serving the public, on knowing what we are doing, and a part of that, clearly, but not all of it, is adequate accounting data.

Let us take each of these if we can in sequence. I don't want to spend a lot of your time with a formal statement, but I would like to get some things on the table and then would like to be able to respond to questions.

I am flanked by two Assistant Secretaries, George Frampton, who is my immediate boss, the Assistant Secretary for Fish, Wildlife and Parks—he will have a short statement about the restructuring—and Bonnie Cohen came along this morning because she is the Chief Financial Officer and Assistant Secretary for the Department because as we get at the accounting problem and some of the accountability problems, we are going to have to get together on that with the way the Department itself in the aggregate manages its financial affairs. So there may be some questions or perhaps a brief statement from her as we go along.

Let us, if we can, sir, look at how we got here. The Organic Act of 1916 gave us a couple of responsibilities. They are: To preserve these places that Americans have selected because they are important; both great, green places like Yellowstone and Glacier, and the more specific historically-related places like Independence Hall or Ellis Island or, most recently, the school where *Brown v. Board of Education* came into American history.

Together with the preservation and protection responsibility which carries with it maintenance—why maintenance is important—we have the equal responsibility to provide that people can get there, enjoy them intellectually, learn something there, and taking care, therefore, of visitation is as important to us as taking care of the places themselves.

But I have to say to you all that fundamentally our responsibility goes to the protection of these places, to ensuring that they are there for our descendants because whatever we do with them today, there are going to be people coming along in a few hundred years that are going to want to find them there. That is why the matter of accountability with respect to maintenance and the size of the backlog is not just an accounting matter, it is a matter of essential moral responsibility.

During the course of the years, and I want to review one more time the pace of growth of the park system, you all know that that has been very rapid; you know that the visitation has doubled in recent years; you know that the size of the park system in sheer acreage has doubled in the last decade and a half, I believe.

I do want to touch on a couple of other things that aren't covered by the sheer expansion of the system. They are that we, like any other enterprise in this country, have acquired responsibilities for

management that are expensive. They are things like what everybody else has to cope with; air quality, water resource protection, the appropriate, and, for us, relatively new business of managing mining and minerals including oil within the National Park System. These are management responsibilities that are new; OSHA health and safety codes, the Disability Act. These are all imperatives that are unrelated to the size of the system, but they cost you money. You have got to manage them.

In addition to that, another factor that is true of any large business, and that is that we have increasing entitlements. The staff to do this work is more expensive because—and it should be more expensive because there is now a retirement system which didn't apply to a whole a lot of people, and all the process of insuring and other activity.

Now, also, not in the easy data about how many more acres and how many more parks is the simple matter of the expansion of the use of these parks by different kinds of people. Yellowstone is open in the winter. So are a lot of other parks. That means two things. First of all, it means you have got to have more people because you are taking care of more people at larger periods of the year. It is not just shoulder seasons, it is a whole new season.

But there is a subtler factor here, and it is important because the cost of the system needs to include a recognition of this, and that is that whereas many of these places used to be just open in the summer, they are now going all year. That means that you are converting from temporary employees, 5,000 or 6,000—we are not talking about a few—to permanent employees which means that they cost you, and should, 40 percent more because they then get what they should get which is appropriate insurance and retirement protection which they don't get if they are temporary.

So I am trying to suggest that over time, the National Park System has acquired obligations to its people which are of equal importance over the long haul to its obligations to the places, and while we are not, I assume, going to be talking much at it at this point, we will be later, and that is that we need to house them better, pay them better and more fairly, and provide them the kinds of insurance and retirement protection that some of them still don't have.

Now, as everybody in this room knows, in the last couple of years, we have, as a result of the budget agreement, been under an obligation to bring the number of people in the Park Service down by about 1,400 people. Now, the question arose, "Where are you going to get them? If you are going to bring the number of people down, where are you going to sweat them out?" And the answer to that embodied in our restructuring plan is that we are taking them out of central offices, regional offices, and Washington where we are going to be reducing and already are partway through reducing between 30 and 60 percent of central office functions.

I do not want to be somebody else who sits in front of you and tells you that is just wonderful. It is not so wonderful for the people, and it is also true, and we need to recognize this as a group, that when you take people out that have been performing functions over an extended period of time, those functions will not be done as well, however good you are at restructuring.

Now, at the same time, people do things—useful things. When you take a lot of people out of there, things will happen more slowly, and you hope that you can work as we are now working at the listing of things that we and you can do together to diminish the amount of paperwork, report writing, triplicate and quadruplicate reports that have got to be rendered in many cases because the Congress requires it.

Now, we have got to face up together to the economic cost of a Park System and the difficult tension between accountability, which means letting somebody know what you are doing, and not having too much reporting—endless, unused reporting. That is hard to do. It is a management skill. We are working very hard at it. We won't get it perfectly, but we are working very hard at that. That is to say, how do you downsize, use fewer people in central offices, and at the same time provide for a decent reporting system?

Now, we have in our reorganization plan, however, clung to the idea that it is at the point of service—the parks that we have got to hold the line, and we have said, "By golly, whatever else we have to do to get our numbers down and get our budgets down, we are going to hold the parks harmless," which really means we are going to try to do properly by our descendants. We have to protect these places. We also have to protect them from each other. We have got to protect them from the visitors among other things. So our plan says cut it out of the central offices, recognize that there is a price in that, and keep the parks whole. Now, it is essential that when you do that that you do it as these two, I think, excellent reports imply, that you do that knowing what you are doing.

Now, if I may, I would like to turn just very, very briefly—you have heard a lot of the details. Some of it, I must say to you, is fresh and new to me because it wasn't in the written report to which I could have any opportunity to examine the details. I am not going to bicker on details about one or another item in these reports. In general, they are excellent, and, in particular, the Inspector General's report seems to me to be exactly the kind of accounting report that you should have and that we should have so that it forms the base upon which you and we can move and which you can ask about the remedies toward at regular intervals.

Now, I am gratified that on I think it is page 33 of the IG's report that they are encouraged by our commitment to devote the necessary resources to make these changes in the accounting system. And I am further gratified that in the verbal testimony this morning it was noted by the IG that we have agreed with them to get these things done and fixed on a schedule.

It is not that we are going to sit here and tell you it is just wonderful the way it is or has been since the middle 1980's when these problems arose. It is not wonderful. They need fixing, and we have an agreement with the Inspector General's Office, which I am sure they will confirm, under which we have worked out a protocol under which we together will get this fixed.

I see very little utility in going back through the litany of problems that afflicted the Park System's accounting in 1988, 1989 or made it impossible for there to be firm base line data for 1991, 1992, 1993. I see a lot of good in being very sure that you know that starting not just now but starting with the arrival of an agree-

ment between us and the IG's Office that we are going to get these things fixed, and that you can supervise us in doing that. In fact, I would be delighted—I don't know how unconventional it would be, but it seems to me that you got adequate staff people—I would be delighted if they would like to join with us and the IG's Office as we go to be very sure that the improvements occur. Why not?

The same thing, I think, goes pretty much for the report of the GAO. The GAO says, as I understand them, that the restructuring plan is a pretty good idea, but it doesn't go far enough. Well, I don't have any strenuous objection to that view. I agree with it. We are going to try to get on with the restructuring plan that gets us to produce the services to the parks where they ought to be delivered, and we are going to get on with the process of cutting the people we have got to cut in the central offices. And at the same time we will absolutely, as we now are, continue to look as we should for relocations with other Federal agencies, and we will indeed and should get together on finding ways to do our business together, and not just Federal agencies.

I think it is nice that they think the Department of the Interior's agencies and the Forest Service should get together on things to see if they can't save some money. But as earlier reference has been made to our cooperation with the State of California, why not? We have a joint management scheme in the Redwoods now; brand new, very good idea. We will save some money.

Yesterday, I met with the Chief of the Parks of the State of California, and we worked together on a plan that will let us get together on the joint park operations we have around the Los Angeles area. Why not? We can share space. We can share people. We can get the work done better and for less money. Of course we should.

Furthermore, we ought to be doing that in other places, and as we slowly work our way into this process of reordering the way the Park Service does its work in groups of parks of common character, sharing the scarce personnel, as we work our way toward that, of course the windows ought to be open, and we ought to be talking to other people. Why not? It makes all kinds of sense.

Now, I am informed that—I remember that we have got a joint center with a lot of people, state and other Feds, in Anchorage because it works there. I didn't know about Fairbanks, but we do, and I gather we do have a joint info center in Seattle. Now, we can work more in that direction and should. Four south Florida parks and the Fish and Wildlife Service and I think as well the Corps of Engineers are at work together on a common management of places where we are overlaid upon each other—a chocolate ripple. Now, in the north Cascades, we have a joint operation going on with the Forest Service.

Now, my view of this is, and I suspect it would be true of any experienced professional manager who has been trying to get large organizations to work less expensively and more efficiently—my view is that we ought to take each of these in sequence, get them done by a good set of stipulated dates. We ought to get the accounting system fixed, and we ought to do it soon enough so that some of us will be around when it is done even though some of us

weren't around when the problems arose. We should be around when it is fixed.

We should deal with the reorganization plan as quickly as possible and get on with it. There are things we are going to be asking you for, both committees. They will be things that will let us do our work more efficiently, a whole raft of things that we need. They are not big in size, but they are flexibilities to let us get on with the housing problem.

Now, I am almost done, and I know I am running on a little bit. I just want to let you know we are trying to get after this. With the GAO report I concur vehemently, vehemently that the numbers that have been offered for backlog problems have wobbled around in a way that makes one very uncomfortable. Is it \$4 billion? Is it \$6 billion? It is big, and the question that Mr. Hansen asked earlier, which is, why is it still big, is because—among other reasons, the addition of functions and activities and parks and acreage—a subject for further discourse, the addition of further parks and acreage.

Aside from that, it is absolutely true as the General Accounting Office has said that there has been a pattern, much of it congressionally ordained, in which not only are we given new parks to manage, but we are told to build things we didn't ask for, and there has been no maintenance budget to amortize that construction as there is in any sensible business concern. That is perfectly correct. That is right. That is one of our problems. And, therefore, when you get a lot of new construction for a lot of places and you are not at the same time provided with the implication of further personnel and further money to run them, you are going to acquire deferred maintenance.

Now, Messrs. Chairmen, I am very grateful to you for letting me run along a little bit, but I wanted to be very clear with you all that we take very seriously these reports that are before you. We are going to get on with the stuff that we can do in an orderly manner so you can hold us accountable for doing it. Part of the accountability problem is just accounting, but a lot more is how do you hold people to doing their tasks on a known, written contractual basis.

We could talk about that in a little bit if you would like, but I feel very strongly that unless a manager has a contract with their superior, meaning superintendent and regional officers, they are unlikely to know what is expected of them, and you can't hold them to accountability including the accountability for the funds under their management.

Now, if I may, I would like to turn to Mr. Frampton who has been, like you, patiently awaiting the end of my remarks, and Ms. Cohen if she has anything she would like to add.

[The prepared statement of Mr. Kennedy can be found at the end of the hearing.]

**STATEMENT OF BONNIE COHEN, ASSISTANT SECRETARY FOR
POLICY MANAGEMENT AND BUDGET, CHIEF FINANCIAL
OFFICER, U.S. DEPARTMENT OF THE INTERIOR**

Ms. COHEN. If I could, could I add some remarks to the Park Service Director's?

Mr. REGULA. Yes, without objection. But would you identify yourself for the record if you would please?

Ms. COHEN. Yes. I am Bonnie Cohen, Assistant Secretary for Policy Management and Budget at the Department, and I think Director Kennedy has given you an overview of the problems facing the Park Service and his commitment to correcting them.

The Secretary asked me to come up here this morning to assure you of his commitment. He feels strongly that the financial management and program management needs of the Park Service have to be addressed. We feel, like Director Kennedy, that the IG's report and the GAO report will help. We feel that they have effectively laid out the issues and the problems, and we will be addressing them.

At this time though, of great cynicism in the American public, we would like to emphasize, as Chairman Regula did, that neither of these reports talks about corruption. They don't talk about \$800 ashtrays. It is our sense that these problems have grown up over the last decade as dedicated professionals have tried to deal with limited resources and have turned their attention more to serving the American public and protection of the underlying resources than, perhaps we would have liked, to the management systems. We are now addressing those.

We recognize that we are asking Congress for increased financial resources. We are asking for fee legislation, concessions legislation, increased leasing power. We know that that brings added responsibility to the Park Service. We have begun to address these issues.

I just want to touch on a few things that we are doing to assure you that we are strengthening the accounting and management system. We have met both individually as the Department and with the Park Service with the IG. We have created a new task force to look at the financial accounting system and have lent people from the Department to that task force. We have a new Deputy Chief Financial Officer coming, Skye Leshner, who many of you may know, who has been at OMB developing the financial systems for the Federal Government. The Park Service will be one of his first priorities.

We have in our 1996 budget asked for an increase in management training for the Park Service, largely to address these kinds of issues. We are undergoing downsizing in the Department and in the Park Service, but we are asking that the resources required to address the accounting problems be spared from this downsizing until we have the systems in place to take care of the issues.

We will be submitting in the next week a report to Congress that you requested on Park Service construction in order to ensure that requests come up or come up in a more rigorous format and that we follow up on construction to see that we meet the budgets that we originally anticipated. This just gives you a brief overview of the kinds of efforts that we are making to address these problems. Thank you.

Mr. REGULA. Secretary Frampton, did you want to make a comment?

**STATEMENT OF GEORGE FRAMPTON, ASSISTANT SECRETARY
FOR FISH, WILDLIFE AND PARKS, U.S. DEPARTMENT OF THE
INTERIOR**

Mr. FRAMPTON. Yes. Thank you, Mr. Chairman. Mr. Hansen and Mr. Regula, members of the committee, I do not have a prepared statement as Director Kennedy and Assistant Secretary Cohen have told you. We know that the Park Service has had accounting problems in the past. We know what those problems are. Some of them are the result of a not yet complete transfer of old data to a new system which works. We appreciate the analyses that have been made of those problems. We are going to fix those problems. We take those problems very seriously. We are going to get after them. The Secretary is committed to do that, the Director is committed to do that, and we are going to address those problems.

I am here this morning, Messrs. Chairmen, primarily to address the proposed restructuring plan which is described in detail in a reprogramming letter that has been submitted to the Chairmen and the Ranking Minority Members of the Appropriations Committees, both of this House and the Senate, and to emphasize that that proposed restructuring plan first is a high priority for the Secretary and the Department.

It is a flagship effort to reinvent government and also to emphasize to all the members of both committees that this is a plan that is going to have very significant benefits for the American taxpayer, for park visitors, for people in the Park Service, for neighbors and partners of the parks, particularly local and State governments, people that the Park Service has to work more closely with, and ultimately for the parks themselves and for future generations.

Now, this restructuring proposal began over—work on it began I guess over a year ago primarily as an effort to meet the commitment of the Administration and the commitment of the Congress, the instruction of the Congress to reduce FTE's across the government. And it was begun as an effort to do that meeting the instruction of the Secretary that the parks themselves be held harmless so that we would do whatever reductions the Park Service had to make in its total number of FTE's in central offices and in the 10 regional offices across the country which have grown significantly over the last decade.

So it began as an effort simply to meet the streamlining requirements of the Administration and the Congress in this agency. But that planning effort quickly broadened out to be something much more important than that, and that is an effort to try to look at what the Park Service needs to be in the 21st century to meet some very different, changing challenges and demands.

What are those changing challenges and demands? First, the Park Service, in facing an increasingly complex set of problems to protect our parks, needs to put a lot more expertise to work without having a lot more money to do it. We can't afford to hire archaeologists and biologists and law enforcement specialists and people who do training in every single national park. So we have to create and sustain a pool of people with a wide range of diverse, professional skills in a more cost-effective way. That is one of the changing needs of the Park Service.

Another is that the Park Service needs to be more outward looking. The park's personnel and the Park Service people in central offices and in the parks need to work with neighbors and partners. That means local government, county government, State government. It means private landowners. It means nonprofit organizations. The Park Service needs a structure which encourages and enables people who work in the Service to do that more effectively.

Third, the Park Service needs to be more adept and creative at designing solutions for an increasing set of problems and to be able to apply those solutions and ideas across the Service. So parks need to work together much more than they have in the past. And what we have submitted in the form of a proposed restructuring plan is designed not just to trim the bureaucracy and reduce layers of approval and to cut the number of FTE's in central and regional offices while increasing the number of people who are in the parks; it is designed to make this organization a more effective and efficient organization in the future.

This is what we think the voters voted for in November. This is where the Park Service needs to go. This is where people are telling us the Federal Government needs to go—be a more effective and efficient organization at less cost, and we are very eager to get on with this restructuring plan.

Let me just close by commenting on Mr. Duffus's recommendation in the GAO report that you have heard about this morning, that we appreciate the endorsement of the restructuring plan both by the National Parks and Conservation Association and by GAO, but I want to comment on Mr. Duffus's recommendation that while this is a good thing, we need to go further. He is absolutely right. We are going further.

What the restructuring plan does is create the ability within the Park Service, the platform, the structure that enables the Park Service to work with other Federal agencies and with the States and with local government more effectively. We would not have an approved forest plan for the Pacific Northwest if we had not structured a program for Federal agencies for the first time ever in the Northwest including the National Park Service to work together.

Yesterday, I was in Seattle announcing a proposed rule that would relieve restrictions on most of the private forest land in the States of Washington and California. A Fish and Wildlife Service program and the National Park Service in Seattle through its work together in the Regional Interagency Task Force provided the support for this program.

Last Thursday and Friday, I was in the California desert with officials from the Defense Department and the three military services as well as the BLM and the Park Service working out an arrangement in which the Interior Department and the Defense Department will do coordinated planning in southern California to make sure not only that our parks, including the new Mojave National Preserve, and the BLM areas are managed efficiently, but that we manage those lands in a way that the very important Defense Department missions that are carried out at Nellis Air Force Base and Fort Irwin and China Lake, which are key to the training and readiness of the military services, are preserved over a long period of time. In south Florida, we have a task force which involves

not only six Federal departments, 11 agencies, but State and Federal Government. These are the things that the Park Service is doing around the country.

The restructuring plan that we have before you enables us to do that more effectively and in a more widespread fashion in the future. That is why we are so eager to move forward and get on with this because it enables us to do the kinds of things the GAO says we should be doing. It won't solve all the problems of the National Park Service, but it will make it a lot easier to solve many of them and do it at less cost and more effectively. Thank you very much.

Mr. HANSEN. I thank you, Mr. Secretary. We appreciate the testimony from the witnesses. This is going to get kind of long if we don't start tying this thing down a little bit. I think what we will do now is we will hear an opening statement from the Ranking Member of the Appropriations Committee, Mr. Yates, and then Mr. Richardson from the authorizing committee, and then we will go to questions.

We have determined and I would appreciate it, maybe ask for unanimous consent, that we allow each person to ask two questions. However, I have got to ask the witnesses to be brief in your answers. If they don't stay within five minutes, those lights you see in front of you, we are going to turn those on, and soon as the red light goes, I will cut you off, if I may respectfully say so.

A lot of interest in this particular hearing. We want to have everyone get an opportunity, and we can't do that if we let everybody answer the question in great detail or if we ask a question in great detail. So we will turn to Mr. Yates and then Mr. Richardson.

Mr. YATES. Thank you, Mr. Chairman. Over the years I have been in Congress, I have always considered the Park Service to be one of the great organizations of this country. Its staff has been outstanding. We were delighted the rangers are as good an organization as they are. They have been headed by very able men. Particularly at this time, our good friend, Roger Kennedy, is an able and competent administrator.

I would like to raise one point. At a hearing before our Appropriations Subcommittee a few days ago, it was either the Heritage Foundation or the Cato Institute which suggested that the Park Service, in order to save money, ought to be closed and the lands either sold or turned they said back to the States. I didn't know that the lands were part of the States in the first instance. But I would like to get the impressions from any of you who want to answer that question. How much money do you think would be saved other than the amount of your budget, and how much money would you realize if you sold those lands? Could you pay off the national debt? Nobody want to answer the question?

Mr. KENNEDY. No, sir.

Mr. YATES. OK. Thank you, Mr. Chairman.

Mr. HANSEN. Mr. Richardson.

STATEMENT OF HON. BILL RICHARDSON, A U.S. REPRESENTATIVE FROM NEW MEXICO

Mr. RICHARDSON. Mr. Chairman, thank you. First, let me join in associating myself with the remarks about the Park Service being a great agency. It is. And I know Director Kennedy, and I want to

support him in this effort. But I have got to tell you I have some concerns, and the concerns are based from not just parks people that come to my town meetings and express reservations of this plan, but also because of my experience for many years as chairing the Native American Subcommittee. And for years we have heard about the BIA reorganizing itself, and it continues to do that, and it makes things worse.

And, Director Kennedy, I don't want that happening to your agency. I know you are very dedicated. I think our objective here is getting the best bang for the nation's park buck, but I have to tell you some of the policy issues—I know there are a lot of financial management issues that are being discussed, but some of the policy issues that I would like to raise are first of all how does, for instance—this is my opening statement so you don't have to answer this, but how, for instance, does creating seven field offices and 16 system support offices mean a downsizing from 10 regional offices?

Another policy concern is how can we maintain consistency in laws and policies when we do this decentralizing? How can we be sure that the big parks don't squeeze the little parks? How are we going to be sure that we have the funds to implement this reorganization plan? How are we going to expect all the required employees to accept reassignment from central office to the field? How, for instance, are you going to get competition? There has been healthy competition between the parks over the years. Will this plan mean that they are going to have to start cooperating with each other, and can that happen?

Now, hopefully it can, but I have to tell you that I worry about these schemes of deep financial reorganization, downsizing, and what I worry about is that we have to do a better job of maintaining our parks. We have to do a better job of having more people out on the ground. I worry about having you request us hiring so many financial managers that the actual management of the park, the rangers, that we not deal with that.

I worry about this backlog issue. I have been trying to get a handle on exactly what the amount is—\$5 billion, \$6 billion, \$4 billion? I think we have to narrow that down, and I must say that I have heard people use this idea that a backlog exists is the reason to halt any further consideration of additions to the National Park System. I think that is wrong.

I think that we have to be careful about charging ourselves with maintaining what we have, but we can't allow irreplaceable national treasures not to be protected by dealing with a backlog which is serious. But, you know, some of those backlogs are wish lists, and we have to make sure that we are doing the right thing.

So, Mr. Chairman, let me say, Director Kennedy, I am going to give you the benefit of the doubt as you reorganize, but there are a lot of policy issues here, and I want to be sure that you don't end up like the BIA. You know what they did is after they couldn't complete all the reorganization, they asked for another year so that they could study further how they can screw things up worse. So with that admonition in your own Department, please don't let that happen to you.

[The prepared statement of Mr. Richardson follows:]

STATEMENT OF HON. BILL RICHARDSON, A U.S. REPRESENTATIVE FROM NEW MEXICO

Good morning. Today we are here to listen to testimony regarding the reorganization plan proposed by the National Park Service, as well as the financial management practice of the agency. These are very important issues and I look forward to learning more about the status of both.

The reorganization plan is in response to Vice President Gore's directive through the National Performance Review to restructure government to be more efficient and cost-effective and a government-wide mandate to reduce the number of FTE (full time equivalent). The plan submitted by the NPS attempts to move personnel from the central office out into the field and reduce overall staffing while retaining the integrity and professionalism of the agency. The plan calls for a 35 percent cut in staff at the central office and will replace the current 10 NPS regions with 7 field directorates. I understand some 500 FTE have already been eliminated.

The National Park Service must keep up with the constantly changing world, one in which decisions need to be made by persons close to the source and familiar with the specific problems. I am anxious to hear how the concept of park clusters and a National Leadership Council will assist the Service in meeting its goals.

The National Park System consists of 368 units and some 80 million acres of land. Its Fiscal Year 1995 budget was over \$1.4 billion; almost \$1.5 billion has been requested for Fiscal Year 1996. Questions have long been raised regarding the management of this budget. This is not the first hearing held by this subcommittee on this matter and I fear it may not be the last.

There is much debate over whether or not an operating fund "shortfall" exists. If a shortfall does exist, then what is causing it? I think I speak for many of my colleagues when I say that I believe that the NPS appropriations over the years have been very generous when compared to other agencies and the overall government funding situation. This leads me to believe it is a management control problem and not an overly burdensome charge. Debate really soars when the issue of "backlog" is discussed. I don't know anyone who agrees on just how large the backlog is and what it represents. Too often what I believe to be an "If I could have the best of everything for this park" wish list by park superintendents is counted as actual need and added into this huge price called "backlog".

A big concern of mine is to narrow down just what the backlog is. As legislators we need to know what we are dealing with and as managers you need to have a handle on the true needs of the agency.

I have heard people use the idea that a backlog exists as the reason to halt any future consideration of additions to the National Park System. While I believe that we must take care of what we are charged with managing and protecting, this nation can not allow irreplaceable national treasures to be destroyed, based on a funding fantasy number.

Mr. Chairman, questions about how the National Park Service manages the funds appropriated to it are serious and the agency must come to grips with the true numbers and how to ensure that the American public is getting the best bang for its park buck. I hope that the testimony we receive this morning will inform us that the agency understands the problem and is moving swiftly and surely to better financial management.

Mr. YATES. Mr. Chairman—

Mr. HANSEN. Mr. Yates.

Mr. YATES [continuing]. I just wanted to say for the record that I don't agree with the recommendations of the Heritage Foundation or the Cato Institute.

Mr. KENNEDY. Gee, Mr. Yates, if it is necessary to be on the record about that, neither do I, sir.

Mr. HANSEN. We appreciate those remarks by Mr. Yates and Mr. Richardson. Just to make sure everybody understands now what we are going to do, I will take the first two questions. Mr. Regula takes the next two. Then we are going to alternate back and forth between the Appropriations Committee and the authorizing committee, and everyone is limited to two questions, and the witnesses have all vowed they will give short answers. Is that right?

Mr. KENNEDY. Yes, sir.

Mr. CHANDLER. Yes, sir.

Mr. HANSEN. OK. We all agree on that, and then we will take one or two rounds as we go, and we appreciate the comments by the people we have had here. I have some folks from my district in the back office here so I think I will just say a little comment, and then we will go to Mr. Regula, if we may.

In my opening comments, I pointed out in 1991 that the National Park Service reported to Congress an operational backlog of \$377 million. Four years later after Congress had increased the National Park Service operating budget by \$308 million, the reported backlog has more than doubled to \$846 million. This is shades of the District of Columbia to a certain extent wondering will the real figure stand up, and it is of great concern to me to see this happen.

Now, you have all alluded to the idea that there is this program that you have mentioned that Secretary Frampton talked about and you talked about, Mr. Kennedy, that is going to solve these things. As I listened to the comments made by James Duffus and by Joyce Fleischman, I really wonder if it will. I would hope that you would give this committee a step-by-step, point-by-point, brief-to-the-point objective, concise report on how you really honestly, seriously intend to do it.

I don't think it does any good to go back and talk about what was done earlier and who fouled up in a prior Administration. We are living today. You have had the reins for two years. We want to see some results. I think this Government Performance and Results Act of 1993 that Mr. Duffus talked about is something we would kind of like to hold you to. The ball is in your court. I agree with what was stated by Mr. Yates and Mr. Richardson.

We are all believers in the park regardless of what the press says. We want to see the parks look good and be the jewels—people constantly write in and talk to us how strong they feel about these parks, and I agree with that. And most of them are in the State of Utah, incidentally, or a lot of them, and we feel very strong about that. So we want to do everything in our power to make sure that they are what the public demands. When they go there, they want rest rooms and plumbing that works. They want roads they can travel on. They want concessionaires that are clean and nice, and it is a great responsibility for you, Mr. Kennedy, to live up to that.

So with that in mind, I will turn to Mr. Regula with just one thing that Mr. Chandler said which kind of threw me a little bit. For my 15 years on this committee, we have always talked about overall the problems of protecting natural and cultural resources. However, Mr. Chandler, on page 14, he says the two problems that he sees on his survey, and I have no reason to doubt this, are overall park budget and adequacy of workforce size. I will turn to Mr. Regula and be back, and then we will follow the procedure that you have seen. I would hope that we hear from you on the concerns that we have. Mr. Regula.

Mr. REGULA. [presiding] Well, thank you, Mr. Chairman, and I think going directly to what you have just said, Mr. Kennedy, you have heard the comments from the IG and the GAO. And my question is, will the reorganization plan address the concerns and criticisms that were embodied in their remarks and in the surveys that they have done? I know you don't have time to get into a lot of spe-

cifics, but we are concerned about the impact of the restructuring plan on those problems.

Mr. KENNEDY. Should I be responding at this point, sir?

Mr. REGULA. Yes.

Mr. KENNEDY. I will try to do that. We share and accept Mr. Hansen's charge that we should operate under the Government Performance and Results Act of August 3, 1993. That is appropriate. It is our charge. We are the lead agency in the Department of the Interior in doing that, and we do intend to give you the reports that Mr. Hansen has alluded to. We will begin with giving you the protocol between us and the Inspector General's Office which tells you exactly when we are going to get on with that part of it. That is the accounting part.

[The abovementioned report can be found at the end of the hearing.]

Now, the accounting part is different from the reorganization. It is a different kind of subject except that we have had, as Secretary Cohen has said, we pulled out of the downsizing in the central offices enough people to do the accounting work. You don't want to downsize the accountants when you are trying to get your accounting work done better. So that part of it has been excepted—taken out of.

With regard to the GAO, the GAO's reports require us to get on with the Government Performance and Results Act, in particular, with respect to accountability, and I would like to give you a little more extended, written report about that because you don't want me to give you a long answer, but we can do that. We can do that. That is a reasonable piece of legislation, and it requires us to get on with some accounting changes and some accountability changes.

[The following was supplied subsequent to the hearing by Mr. Kennedy:]

The restructuring plan is a conceptual plan. As such, it does not provide specific remedies to the individual financial and administrative accountability concerns raised in the GAO and IG testimony. The plan does, however, propose:

- through a new system of performance contracts for superintendents, strengthening vertical lines of authority and more clearly isolating accountability for appropriate performance;

- retaining strong field directors, who will retain authority for the allocation of funding and staffing resources and be responsible for the supervision and direction of superintendents;

- building strong lateral relationships in park clusters, including peer evaluations and project reviews; and

- retaining strong professional capacity in system support offices to provide project review and evaluation.

The NPS is also actively developing a performance measurement strategy as required by the Government Performance and Results Act of 1993.

With respect to the GAO's concerns about the restructuring plan, we believe the plan advocates both the type of collaboration with other agencies and the review of functions and programs the GAO recommends. Specifically, the plan proposes:

- increased cooperation and coordination with other Federal, State, and local agencies and organizations to enhance opportunities to carry out the NPS mission;

- greater emphasis on working with partners; and

- extensive workload analysis and reengineering.

We believe these objectives set the framework for what the NPS is already doing—entering into collaborative arrangements where it makes fiscal or management sense to do so. We are, for example, cooperating with California State Parks in the management of our respective holdings in the Redwoods and Santa Monica Moun-

tain areas of California. We share administrative, visitor or information centers with the U.S. Forest Service at several locations. Expansion of these efforts on a broader, agency-wide scale is certainly a potential outcome of the expanded partnering envisioned by the plan.

We are also actively employed in a variety of streamlining and reengineering efforts. The NPS has the lead on five reinvention laboratories sponsored by the Department of the Interior on topics ranging from the review of our major planning, design, and construction projects to interagency ecosystem management in the California desert. Other labs are being conducted by the Department as interagency efforts on topics such as the Freedom of Information Act and the EO complaint process. Many program areas within the NPS are conducting their own exercises.

Reviews of program objectives and customer needs are an integral part of each of these efforts.

Finally, the NPS has begun the self-evaluation required under phase II of the National Performance Review. We recognize that the results of this analysis may require changes in the restructuring plan, and believe that the plan is flexible enough to accommodate such changes.

I think, Mr. Chairman, that the primary response to your question which, as I understand it, is the relationship of the restructuring plan to these two reports—

Mr. REGULA. That is correct.

Mr. KENNEDY [continuing]. is first that the IG's report is about accounting, and the General Accounting Office report is both about that because it catches up the IG's report, and I think we have dealt with that. We are going to get that fixed. We must be charged to getting that fixed, and we will do it.

The restructuring plan has to do with doing the business with fewer people and emphasizing delivery of services in the parks, and that is wholly compatible as the General Accounting Office report itself says. That restructuring plan, as they have said, is wholly compatible with their report.

Mr. REGULA. Thank you. One quick question. You point out that you have increased visitation, and that has grown tremendously. Will you be able to meet the needs, in terms of safety and enjoyment of visitors, while you are restructuring and putting your efforts into addressing the accounting deficiencies? It seems like it is a big challenge to do both.

Mr. KENNEDY. Services to which you refer are delivered at the park level; safety, maintenance of safety of trails, law enforcement and the maintenance of the places. It is precisely because of the emphasis upon the delivery of those services, including safety, at the park level that all this restructuring business says, "Keep the parks whole. And, in fact, if you can, push a few more people toward the park," which is what we are going to do if you give us the money.

Mr. REGULA. Thank you. Now, in the absence of the Chairman of the authorizing committee, as he mentioned, we are going to recognize members for questions in the order in which they arrived, and there will be two questions allowed for each member. We will start with Mrs. Chenowith from Idaho.

HON. HELEN CHENOWITH, A U.S. REPRESENTATIVE FROM IDAHO

Mrs. CHENOWITH. Thank you, Mr. Chairman. I don't quite know where to begin because I have got to say that with all due respect, this report that we have received from Ms. Fleischman and Mr.

Duffus is one of the most egregious reports I have ever seen. With all due respect for your office and the responsibilities that you hold, I would have to say, Mr. Kennedy, that if I had heard this report and I were you, I would not be one to say, "I am delighted with the report."

I would not be one that would say, "Whereas we cannot bicker over the details, we must move on with asking the Congress for more money." I would get about the business of making a report to the Congress and to the GAO that clearly lays out where your \$6.6 billion assets are line by line as compared to your \$68 million reported liabilities. The GAO or the Congress cannot get that.

With all due respect, I am not scolding you. I am just simply saying I am amazed that you would be here asking us for more money. \$6.6 billion is a whole lot of money in assets, and in 1995, you were given \$88 million to acquire more land, and yet we can't get an answer on what land you are going to acquire. I find that in the report that was given to us on the top of page four. I see Mr. Chandler is referring to that, but as a Member of the Congress, I would like to make a request officially, Mr. Chairman, as to, number 1, what land you already own and where you intend to invest the \$88 million in more land acquisition.

I visited the Crater Lake National Park last year. I had worked there as a young woman; beautiful park, beautiful facilities. It was in a state of total disrepair. Yellowstone National Park facilities are in a state of total disrepair, and yet, we are acquiring more land. Somehow we talk about using the terms that business uses, but I know from being a businesswoman I know how business acts, and that is that when we have less money, we still have to do more, and we have to make it work.

I am also concerned about the fact that you did make the statement that, "When people are taken out, things will be done more slowly, and that when we downsize, we will not be able to provide for decent reporting services." Again, with all due respect, sir, as in business, as this nation has faced across this land from one end to the other, we have had to do more with far less.

I do remember the sad commentary of the Cuyahoga National Park where lands were seized, homes were seized against the will of the people. There is a growing concern across our nation of how the Park Service is conducting its business. So my question to you, Mr. Kennedy, is may we receive an accurate report of your assets? May we receive an accurate report of the land you intend to acquire? And may we receive an accurate report of the land that you already do have in your possession? And may we receive that within 30 days?

Mr. KENNEDY. May I respond, Mr. Chairman?

Mr. REGULA. Yes. I assume you are going to provide this for the record, but you may have a brief comment because of the time.

Mr. KENNEDY. A brief comment. Independence Hall, Ellis Island, the Washington Monument are very difficult to appraise. You have asked for an appraisal of our assets as if it were all land. We shall endeavor to give you what you asked for which is a report and an accurate one on the land that we own. But I think we would agree that it is very hard to set a dollar value on places of that character.

Mrs. CHENOWITH. Mr. Chairman and Mr. Kennedy, but you have given us a ballpark of \$6.6 billion. Within that ballpark, I am sure the Washington Monument and Ellis Island is contained. I want to see a line-by-line, park-by-park determination of where those assets are and how they are evaluated.

[The line-by-line report of assets and the proposal for acquiring of land supplied by Mr. Kennedy can be found at the end of the hearing.]

You know, the report that we got is nothing short of almost criminal in its reporting. I mean, when we see a vacuum cleaner that was worth \$150 being listed for over \$800,000 and a dishwasher worth \$350 that was listed for over \$700,000 and a fire truck worth \$133,000 that was listed for one penny, do you see, sir, where our concern is? And I know, sir, you did not put this report together personally, but I know that you know the buck stops with you.

Mr. KENNEDY. It does indeed, Mrs. Chenowith, and I do know where your concern comes from.

Mrs. CHENOWITH. And it is more than a concern because in private business if a report like this was given to a private business, the person making these kinds of accounting procedures and being responsible for them would either be fired or be behind bars.

Mr. REGULA. Well—

Mrs. CHENOWITH. I am sorry, Mr. Chairman, but with all due respect, I did have to express my feeling that I am absolutely shocked.

Mr. REGULA. Well, I think this information will be provided for the record by the Director, and thank you for your comments. Mr. Skaggs.

Mr. SKAGGS. Thank you very much, Mr. Chairman. One quick question. I do want to invite Ms. Fleischman's comment as to the reassurances we have received from Director Kennedy and the others from the Department of Interior that we are flying in formation now as opposed to at each other in dealing with the recommendations that the Inspector General has made about needed improvements in accounting procedures.

Ms. FLEISCHMAN. I am happy to tell you that last June when we made the initial briefings to both Ms. Cohen and to Mr. Kennedy, they were most responsive. Since that time, they have in the National Park Service, with the help of the Chief Financial Officer—Ms. Cohen, by the way, is also the Chief Financial Officer of the Department of the Interior—they have put together a management improvement plan that hopefully should, if carried out, result in improvements to their accounting system so that they will be able, the National Park Service, to put together an accurate, auditable financial statement, and even more importantly, will provide accurate accounting data for the National Park Service to use in carrying out its duties day by day.

So, yes, what Mr. Kennedy told you is absolutely accurate. They are in the process of implementing their plan, and we are confident that if they do it, if they continue along this track, things will be better.

Mr. SKAGGS. And, Mr. Kennedy, I am in some sense reminded of the old Pogo cartoon of, "We have met the enemy, and he is us."

To what extent, and I know you might be a little bit reticent about responding, but to what extent is the stretching of your resources, the dealing with the backlog of maintenance, the need to move central office personnel out into the field driven by congressionally mandated expansion of the Park System?

Mr. KENNEDY. A great deal. A great deal.

Mr. SKAGGS. The lady from Idaho talked about your intention to acquire acreage. I assume you don't have any independent discretion or authority to go out and buy lands. We tell you what to do. Is that not correct?

Mr. KENNEDY. No, sir. That is correct.

Mr. SKAGGS. Thank you, Mr. Chairman.

Mr. HANSEN. [presiding] Mr. Kildee.

Mr. KILDEE. Yes, sir. Thank you, Mr. Chairman. Just one question. Congress cannot manage nor does it want to manage the Park Service, but maybe to Mr. Kennedy and others from the Department who might want to answer this, what are the actions which the Congress should take or not take to address these problems of the Park Service?

Mr. KENNEDY. Could we give you a detailed and precise response to that question, sir?

Mr. KILDEE. I would like that, but I think there must be something in your mind—

Mr. KENNEDY. Sure.

Mr. KILDEE [continuing]. what we should do or not do or anyone at the table, but I would wait for a detailed one too.

[The response from Mr. Kennedy on actions that Congress should take to address the problems of the NPS can be found at the end of the hearing.]

Mr. FRAMPTON. If I could respond to that very briefly, there are two very important things that the Congress can do; easily the most important things to help the Park Service meet its backlog, meet its maintenance needs, and meet its visitor services needs, and that is to enact legislation which came very close to passing both Houses at the end of the last Congress, and it will be or is before you now—legislation that would permit the Park Service to take some of the entrance fees of the Service and put that money back into infrastructure, repair and maintenance, and legislation that would enable the Park Service to take a larger share of the franchise fees from concession operations and also recycle those funds back into maintenance, infrastructure, and also infrastructure for the visitors.

Most people—I would bet you 99 percent of the people who go to our national parks think that when they pay \$5 or \$10 for a car full of people to spend two weeks in a park that some of that money is going to support the Park Service, and it is not. The same thing with concession revenues which are generated by park operations. Those are the two very high priorities for us in the Department. The single thing Congress could do would be to move forward on those proposals.

Mr. KILDEE. Anyone else at the table like to respond? Mr. Chandler, you are—

Mr. CHANDLER. Well, Congressman, I think you asked a very perceptive question. It is just not one thing or the other that has

to be done here. I think that both of the committees have to look at the comprehensive picture. Yes, we need better management in the parks, and that falls on the shoulders of the Executive Branch to make sure that happens, and on the committee's shoulders as the oversight body, to make sure that they succeed. Likewise, we need to clear out some of the underbrush, some laws that don't work anymore like the 1965 Concessions Policy Act, which if reformed, would render additional fees to the Park Service.

We have done focus groups with the American people who are very aware of the concessions problem. They are also aware that the entrance fees probably are too low, and they are saying, "You know, we are willing to pay more entrance fees, but we want that money to stay in the parks." And it has always sort of been a mystery to me, frankly, as to why these two committees cannot get together and convince the Congress that all of the user fees that come into the Park Service basically ought to be automatically appropriated back to the parks so that they can get on with doing their job. And I know that in the past this approach has raised problems in terms of committee prerogatives and so forth, but I really believe that the American people want those fees to stay in the parks because they want the Park System to be a first rate Park System.

Mr. KILDEE. Yes, Mr. Duffus.

Mr. DUFFUS. Mr. Kildee, I would like to add that I agree with what Mr. Frampton said about franchise and entrance fees. As I said in my statement, I want to stress that with additional funding, there needs to be increased accountability over how the funds are spent and what is being accomplished.

Mr. KILDEE. Yes.

Ms. FLEISCHMAN. I should like to add that from our perspective, the single most important aspect of this is that the Park Service be able to account for its money from whatever source and what it does with it. To the extent that Congress would require and insist that the Park Service do that, that would be, from our perspective, a great help.

Mr. KILDEE. Thank you, Mr. Chairman.

Mr. REGULA. Mrs. Vucanovich.

Mrs. VUCANOVICH. Thank you, Mr. Chairman. Director Kennedy, we have talked today about accountability within the National Park Service, and I wanted to make you aware of a serious problem I have been having with the superintendent of the Lake Mead National Recreation Area. Obviously, I am not going to give you this today in the interest of time but I am really concerned. I would like to submit questions and a background of the problem.

However, I want you to know that I am extremely displeased with the superintendent's actions toward one of my constituents who is a concessionaire, and I am disturbed, and I think that you need to be aware of the lack of accountability in solving this problem. We have worked on it for a long time with no accountability so rather than put you on the spot today, I would like to submit the information to you.

Mr. KENNEDY. Thank you, ma'am.

Mrs. VUCANOVICH. And thank you, Mr. Chairman. I have no other questions at the moment.

Mr. REGULA. Mr. Cooley.

HON. WES COOLEY, A U.S. REPRESENTATIVE FROM OREGON

Mr. COOLEY. Thank you, Mr. Chairman. I find Mrs. Chenoweth so very polite and proper that I don't know what to say, but as a businessman and as Ms. Fleischman put up the auditing process and we are the Board of Directors, I would say that we need to maybe talk to our auditing firm first as to why since 1992—we had 1993 and 1994—we have not been able to audit this particular branch of the government. I think Congress should have been notified of this much earlier than let this go so long to become such a problem that we have today. As president and chairman of several corporations, I would have fired you as an auditing firm for allowing it to go so long without making Congress apprised of the problems we were having with this division.

In plain business sense, systems should all be the same. The accounting system certainly should match each other so it can be audited properly. Why we waited this long in order to talk about it, I can't figure that out either. Commenting on Mr. Randall's statement about closing, selling, or whatever to do with it, maybe we ought to shut down some of the Park System, take some of the funds we have, upgrade the ones that are most used, and therefore provide the public with a better Park System for those parks that are being used by the public generally.

I notice in some of the briefing material we find here, we are talking about \$70 million moving costs to open up these new 16 offices, and we don't have the money, and you are asking us for more appropriations. In the 1995 fiscal year, you received \$1.4 billion. 80 percent of that or \$1 billion were appropriated for park operations who weren't able to do it. There is no accounting system that verifies what we did with that money. We had \$43 million for national recreation preservation. Where did that go? No accounting of that. We had \$185 million for construction. Where did that go? No accounting, I presume. And \$41.5 million for historical preservation and \$88 million set aside for land acquisitions. I presume that the \$88 million is still sitting in the account and has not been used, or is that gone as well?

I think that as a Member of Congress and let us say the Board of Directors of this country, I think this actually teeters on the problem of maybe having some criminal activities involved and just plain neglect. There is no excuse for neglect. There is no excuse for not having accountability. And if we had had no accountability since 1992, there is absolutely no excuse for this. And I know that there is a lot of humor involved in this process. I can see some people down there smiling. This is not funny. We need to put a handle on this, find out what is going on, and get down to the nitty-gritty details. This general overall glossary is just not acceptable, I don't think.

I think the 104th Congress with the amount of people we have had in this Congress involved in business and looking at some of these agencies, we need to turn around and really look at this agency in finite detail and spend some time and for heaven's sake don't appropriate any more money until we can find out what the money that we have already given you where it has gone. This is

public funds. We are trusted with those public funds, and we should be able to go back to the American people and tell them what happened to their money. And if we can't, we certainly shouldn't give you any more.

Ms. FLEISCHMAN. Mr. Cooley, I would like to respond briefly if I can. We have issued written reports to the Congress on each of our attempts to audit the National Park Service's financial statement as well as multiples of tens of audit reports over the last 10 years and, in fact, longer on the state of affairs in the National Park Service. Every time we issue a report, I would estimate that approximately 100 copies are delivered that day to the United States Congress.

Mr. COOLEY. Mr. Chairman, may I respond?

Mr. HANSEN. Till the red light goes on, you have the floor.

Mr. COOLEY. OK. Ms. Fleischman, I wasn't here then. I apologize for criticism, but I think as a Member of this body, we should be ashamed of ourselves because we should have jumped on this in 1992 and looked at this thing and addressed it at that time until we were not in the situation we are today in looking at 1996. So I didn't mean a direct insult to you. I didn't realize that these reports were put out so pardon me for that, and shame on us for doing what we have done.

Ms. FLEISCHMAN. Thank you, sir.

Ms. COHEN. Mr. Chairman, could I briefly respond on the land acquisition program of the Park Service because it has come up a couple of times? Just to clarify it, the land acquisition program of the Park Service—as well as the construction program—operate similarly. First, the Park Service is not authorized to acquire any land that isn't within authorized park boundaries. The boundaries are authorized by Congress.

Within those boundaries, the Park Service then prioritizes the land that it wants to acquire; included in the priorities are land that is in-holdings which people want to sell, land that is threatened with imminent development, land that is critical to the message of the park. Once that is prioritized, a list is developed according to those priorities. That list is then submitted to Congress—the same is true of the construction budget—purchase by purchase, and Congress does approve those each year. Thank you.

Mr. REGULA. Mr. Skeen.

Mr. SKEEN. Thank you, Mr. Chairman. This has been a very interesting dialog today, and I always enjoy listening to the Park Director, Mr. Kennedy. He is such a shy, retiring individual, but he handles himself very well, and I have a great deal of admiration for you. You have got a very tough job.

I am a little confused. Of course, being a Member of Congress, that comes with the territory I suppose, but I had always been given to understand, and we have a lot of park presentation in the State of New Mexico, that the individual installation retains part of the entrance fees under the operation and agreement that you have now. Is that not correct?

Mr. KENNEDY. No, sir. It goes back to the general revenues unless there is an exception that I don't know about.

Mr. SKEEN. There are some exceptions, I believe, because I have been given to understand that in some cases the entrance fees or the daily fees are retained by the installation.

Mr. FRAMPTON. Could I respond to that, Mr. Chairman?

Mr. HANSEN. Surely.

Mr. FRAMPTON. The last two years, Congress has permitted the Park Service to retain 15 percent of entrance fees for the purpose of collecting fees in the future. And the reason for that is that the current system, if you didn't have that, provides a tremendous disincentive to park superintendents to collect any fees at all.

If you are a park superintendent, without that 15 percent, your rational management discretion is going to be exercised not to collect any fees because the people you put on fee collection are people who aren't taking care of campgrounds and visitors and law enforcement, and none of the money is coming back to the Park Service. So we do have the ability to apply some money from entrance fees simply for the cost of collection, but that money does not go to any other park purposes, infrastructure, visitor services. It just removes the perverse incentive not to collect any fees which is there without that.

Mr. SKEEN. Well, I am not knocking the practice. I think that you are probably exactly right, but evidently there is some confusion too insofar as the message coming back to us that we would like to have those entrance fees totally dedicated to the Park Service, but they have got to be accounted for somewhere along the line. I have a problem with that because I have heard from one or two of our installations in New Mexico that they retain part of those fees in a discretionary fund.

Mr. FRAMPTON. Other than the 15 percent, I don't believe that is the case.

Mr. SKEEN. No, other than the 15 percent. I am not trying to indict anybody from the Park Service. It is a heck of a deal.

Mr. KENNEDY. I believe they do not, but we will give you a specific report on that matter.

[The information below was supplied by Mr. Kennedy following the hearing.]

Recreational fees (entrance fees, campground fees, special recreation fees, commercial bus tour fees, golden passports, etc.) are divided up in the following manner:

15 percent is given directly back to the NPS for the direct cost of collection (per the 1993 Omnibus Reconciliation Act). A defined list of criteria is available which identifies how the money can be spent for the direct cost of collection.

The remaining 85 percent of the recreation fee monies is placed into a special Treasury account and appropriated by Congress to the NPS under the following formula:

10 percent is available to the Director of the NPS to be allocated among units of the NPS System on the basis of need to be determined by the Director.

40 percent is available to be divided among the units of the NPS proportional to their operating expenses relative to the total for the NPS.

50 percent is available to the fee collecting units of the NPS proportional to their total collection divided by the total collection for the NPS.

The monies placed in the special account (85 percent) must be spent on the following: (1) receipts from the collection of admission fees must be spent on resource protection, research, and interpretation, (2) receipts from the collection of user fees must be spent on resource protection, research, interpretation, and maintenance activities related to resource protection.

Mr. SKEEN. The next concern I have is the discussion and the negotiations that are going on between the concessionaires and the Park Service which has been a very, very difficult and a very sore subject. Where are we now insofar as moving, interchanging it, or coming up with a general policy or something of that kind so that we can get down to the business of operating? Because right now you have got warfare going on in the Park Service between the concessionaires—

Mr. KENNEDY. Yes, sir, we do. There is legislation we have asked for which I believe there is a pretty broad consensus behind, and with that in place, which I hope we get to real quick, we will get on with this.

Mr. SKEEN. But you are developing a new policy?

Mr. KENNEDY. Oh, yes, sir. We will be at you very shortly with that.

Mr. SKEEN. Is there going to be equity in settling all the proprietary rights and all those situations?

Mr. KENNEDY. I think so, sir. Yes.

Mr. SKEEN. Well, I certainly hope so because it does not add to the general aura of peaceful comity around parks when you have got hand grenades going between the Park Service personnel and the concessionaire.

One last question or one last statement. We had a little problem with the lunch room in Carlsbad Cavern. It has been there for 60 some odd years, and I think the decision was made to remove the concessions or that part of the concession from the subterranean part of the cavern. But thanks to the largess of my friend, Mr. Yates, over there, we had a stay on it till we could have a little discussion about it. And the idea was that it was deteriorating the pristine nature of the caverns and so forth.

When I talked to park personnel, the real problem was lint, not the food service, but nobody said anything to me about lint during all this terrible argument that we have had and discussion that we had gone over. We were trying to mediate the thing and trying to get it all settled because most of the people around that area and those who go there want the lunch room left in the cavern as it is in all the other caverns. But it came down to the point that what it was was a lint problem, and the lint problem was from taking T-shirts and souvenirs and things of that kind down in the caverns, and so I think that they probably resolved it.

But I hope that when it comes to the point of resolving some of these problems that they have a little more illuminating conversations especially when a Member of Congress gets involved in the thing and trying to find out who is on first and what is on second. We would like to help rather than become an obstacle.

Mr. KENNEDY. Yes, sir.

Mr. SKEEN. And we have been trying to get in, and I do agree too that the backlog of money on the repairs and things like that is terribly, terribly deficient, and it has been for some time. And I hope that we can come up with a funding plan that will take care of these things because housing at White Sands Monument is horrible. It hasn't been touched in ages. The water system at the Carlsbad Caverns—we got some money for that. We hope to renovate it. But I want to tell you folks that you have done a great

job over there, but I think we have taken you for granted for too long.

Mr. KENNEDY. Thank you, sir.

Mr. SKEEN. Thank you, Mr. Chairman.

Mr. HANSEN. Thank you. Mr. Studds.

Mr. STUDDS. Thank you, Mr. Chairman. First of all, I want to commend Mr. Hansen and Mr. Regula. All the years that I have been here, which is more than I care to concede, I have never seen a hearing combining an appropriation and an authorizing committee. I think it is a very good idea. The American people don't know the difference anyway so I think it is——

Mr. SKEEN. Mr. Chairman, it is about time natural enemies got together.

Mr. STUDDS. It is and I want to commend you for holding calm under the blistering fire from your own side over there about, "Where the hell have you been for the last umpteen years?" You too, Mr. Yates, and all of you at the table, especially Director Kennedy. I want to commend you for your restraint, and I could have sworn I heard the Inspector General use the phrase "10 years" at one point. I can only assume that the very disturbing reports that we have been presented with today reflect a situation that did not suddenly develop in the last year and a half or two years. Is that a safe statement?

Mr. KENNEDY. Yes, sir.

Mr. STUDDS. And I seriously and sincerely commend you for not doing what must have been somewhat tempting, to go back and try to point some fingers elsewhere. I think you were correct in not doing that. I don't think any purpose would have been served, and I think we ought to be focusing on what we can all do together to help in a very serious situation.

I don't come from one of the sprawling districts in the great open spaces of the West, but I do have what I think is one of your gems, the National Seashore on Cape Cod. God knows how you would ever assess that property; 30 miles of ocean beach, an area where—I don't know if the westerners can stand this—one-eighth of an acre is usually assessed at about \$300,000 or more. That is one-eighth of an acre if you want to try that in western style. I can't imagine, and if you could, I wouldn't believe it. It is almost akin in its challenging to try to put a dollar figure on human life. There are some things you can't put dollar figures on, and you are in charge of many of those things, and I appreciate that difficulty.

I am also in a situation which now seems to be more awesome than it ever did. Along with Mr. Torkildsen, I am trying to persuade these committees to add an incredibly modest little bit of acreage to the system; just a few islands in Boston Harbor. And it is just dawning on me how challenging a task that may be.

What can we do to help you, I mean, aside from more money, which obviously, in a perfect world, we would shower upon you? But are there specific reporting requirements we can relieve you of, or how in the most obvious ways can we be helpful?

Mr. KENNEDY. The fee bill; the concessions bill; three or four things that will help us get on with the housing problem where there are specific things we need from you, authorizations to enter an agreement with third parties and provide language that gives

us a National Park Foundation presence because they could do some things we can't do.

We need to be able to do land exchanges for housing purposes. We need to be able to postpone for our people for goodness sake the capital gains on the sale of their homes as the military can; same situation. It is absolutely unfair that that can't happen. We need to be able to acquire property outside the parks; a little bit; put housing on it just for that purpose. And we need to continue to press to get housing out of parks and into communities near parks.

There are a dozen other specific congressional actions that would help us, but actually you are doing a lot to help us here. I may not like getting beaten up here and there, but this is exactly what we ought to be doing. We are talking about our problems. We are going to see how we are going to get on with fixing them. That is what we should be doing, and thank you.

Mr. STUDDS. And I thank you, and I would like to see the rest of that list sometime.

Mr. KENNEDY. Yes. We will do that.

[Mr. Kennedy's response was supplied subsequent to the hearing.]

There are several areas where Congress can work with the Service on behalf of the National Park System. The work of the Service would be enhanced with passage of legislation to provide additional authority to charge fees in units of the system, to reform concessions operations in the parks, and to deal with the operation of the Presidio. Additionally, the Service is asking for Congress' support on legislation to expand our authority to lease buildings, to establish heritage areas, and to address the housing problems facing many units of the system. We also request support for the Administrator's proposal for increased funds for various units in fiscal year 1996, including additional money to replace substandard housing in several parks.

Mr. STUDDS. Thank you. Thank you, Mr. Chairman.

Mr. REGULA. Mr. Dicks.

Mr. DICKS. Mr. Chandler, I had a chance to look at all three of these reports, and having served on this committee for a long time, I am very disturbed, as are the other Members, about the examples that we have seen in the very fine work done by the Inspector General. I was one of those who strongly supported creation of the Inspector General's just for this very purpose.

But I must say with the tremendous backlog in the maintenance area to take care of the existing parks, I am someone who has always believed in the Park System and believed, as Congressman Richardson said, that there are things that come along that we want to add to it, but are we at a point now where we just cannot do that in good conscience with the enactment of a Balanced Budget Amendment which means for certain that there is going to be less money in the future? I mean, can we honestly continue to add to the Park System if we can't maintain the Park System that we already have?

Mr. KENNEDY. Mr. Dicks, I think that we have got to make it very, very hard for there to be new additions made to the Park System. I think we have got to get the Congress, which tends to be the largest force toward creating new parks—I think we have got to work with the Congress, and we certainly pledge to do that, to establish much tougher criteria for the entrance of new units. There will always be in history a recognition that some places we

didn't anticipate belong in the Park System such as Martin Luther King, such as the Brown v. The Board.

Mr. DICKS. Can I ask Mr. Chandler what he thinks?

Mr. CHANDLER. I agree generally with Director Kennedy, Congressman. I don't think we should turn our backs on our heritage. I mean, I think most of us in this room have mortgages. We couldn't afford to buy the house outright, but we had to sign on the line for some debt to put a roof over our heads. And I think the problem here is that we have got to come up with a financial plan to start gradually attacking the backlog while at the same time judiciously bringing in selected units that meet national significant standards.

Mr. DICKS. OK. I serve on the Defense Appropriations Subcommittee. We have had to downsize the Defense Department by \$100 billion between 1985 and 1995. It has been a massive effort. We had to have a Base Closure Commission. We had to shut down some units. I mean, are we at the point now even if all these things were enacted that you have talked about, Roger, all these bills where Congress passed all these things—

Mr. KENNEDY. Yes.

Mr. DICKS [continuing]. if we can't solve the problem, then are we going to have to consider a National Parks Closure Commission to take out some of the lower—some of the ones that have very little value? I mean, are we going to make some tough decisions? I mean, if we are going to ruin the great jewels, I mean, at some point are we going to have to face reality here with this \$6 billion backlog?

Mr. KENNEDY. I testified last year in favor of the Hefley-Vento bills which are specific means of addressing this problem. We need to be a lot clearer about the national standards that have got to be met, and I think there should be a heat shield between the Park Service and the Congress that will make it easier for us to have other persons, commission or otherwise, interpose their judgment between the desire to add and the addition. I am strongly for that. The criteria come first, the avoidance of new entries comes second in accordance with those criteria, and it would seem to me logical that you look at what you have got in accordance with the same criteria.

Mr. CHANDLER. Mr. Dicks, we also support a review of the system. We don't think it is something that shouldn't be done. We think it has to be done right because we do have some outstanding resources in the Park System. We would not like to see a closures commission launched with the preconceived idea that we have to unload, say, 50 units. We think that what we ought to do is to look at the system to make sure that what we have is what we want. This gets back to the comprehensive plan that the Park Service should provide the Congress, and say, "This is what our mission is. These are the types of resources we think that ought to be in it. Do you agree? And, if so, let us then look at the system and find out what is missing and what doesn't fit now." We support that effort.

Mr. DICKS. Thank you.

Mr. HANSEN. Thank you. Let me just state we are going to continue. We are not going to break for lunch. Is that all right with

the witnesses? We will just go straight through and finish this, and thank you, Mr. Dicks. You have just exonerated me. Mr. Pombo.

Mr. POMBO. Thank you, Mr. Chairman. I will try to be brief. First off, I would like to thank Ms. Fleischman for what I feel has been honesty and candor in your presentation here this morning. And one question to you is I realize that with your previous statement that these reports have been issued in the past, and you say that they have come to Congress in the past, and I have only been here for a couple of years, but what happened to them when they got here? Did anybody ever ask questions before?

Ms. FLEISCHMAN. Yes, Mr. Pombo. On occasion, people would ask questions. Ultimately, however, I think it is very important for people to realize that when the Inspector General issues an audit report, it is primarily the responsibility of the audited entity, in this case, the National Park Service, to respond to it and to take some form of corrective action to alleviate the problem that we have identified in our audit reports. It is not necessarily, I don't think, up to Congress to do that. They are not always able to do that. It is not a problem in the Congress that we are identifying.

To the credit of the National Park Service's current management, they have responded very positively to our findings of problems, both in their financial management system and in other areas of Park Service management. I am hopeful that they are able to change the attitudes overall of the National Park Service for career people who will be there long after we are gone, for that matter. That is the single most important thing that they can do, I think, as well as respond to current findings. For the Congress, I would say that for the Congress to support that effort would be a good thing.

Mr. POMBO. Thank you. Mr. Kennedy, there is one thing that puzzles me a little bit—there is a lot that puzzles me, but one thing in particular. In your statement and in the statements of several of the people on the panel, a lot of the problem that exists with the backlog and really with your problems to correctly run your agency is that we continue to give you more to do, and there is no more money to do that. And you mentioned some of the Federal mandates that we have placed on you as well as the acquisition of parks.

It is my recollection on two specific things that happened in California last year with the Desert Protection Act and the Presidio that the Service was in favor of the acquisition of those two, in particular, both of which not only severely impact your land acquisition money but also impact your ongoing maintenance and operation budgets and your personnel budgets as well.

Now, I know that one of the biggest problems that Congress has as a whole is that they continue to want more and more and more and never really tell anybody no. Isn't the Park Service a little bit guilty of the same thing in not telling Members of Congress, no, that we can't take on more?

Mr. KENNEDY. That is a fair comment, sir. I think that the process by which new parks are entered is badly flawed and needs to have a commission or other form that assures you that proposals have been reviewed by citizens that are qualified to conduct that kind of review by training and experience, and that way you don't

have a situation in which the Park Service professionals that have been referred to earlier have a powerful Congressperson that is proposing a park and before whom it is very, very tough to resist. Therefore, I agree with you that the process is flawed, and as I have said earlier in response to an earlier question, I think it needs to get fixed or at least improved. There aren't any fixes in life, but it needs to be improved.

Mr. POMBO. Are you going to present to us an outline of what a park should have, or do you want us to come up with that one because I am sure that they would look differently if you did it or if I did it?

Mr. KENNEDY. They might very well look different. It seems to me that is our job. It is in the Hefley-Vento bill that we should do that, and, obviously, then you can do with it what you think appropriate. But I think it is up to us to do that. That is why I supported the bill the last time. Let us go do it.

Mr. POMBO. Just in closing, will you at least in the next couple of years here before we get all this done consider not endorsing every park proposal that comes along?

Mr. KENNEDY. Yes, sir.

Mr. POMBO. OK. Thank you.

Mr. REGULA. Before we turn to the last member of the Appropriations panel, I will ask unanimous consent to allow any members that want to submit questions for the record, to do so. I know a couple of our members have made such a request. Mr. Yates.

Mr. YATES. Thank you, Mr. Chairman. Mr. Kennedy, most of the questions seem to have occurred around the way your empire is building up. It is an empire. It keeps growing every year as Congress gives you more and more units to administer and over which to have jurisdiction. It seems to me that we have just finished giving our attention to an unfunded mandates bill. We are faced with the same question with your agency. We give you these jobs to do, and we don't give you the money with which to do it. I don't know. I haven't yet had an opportunity to review your reorganization plan.

I hope to do so soon, but I have been thinking for some time shouldn't there be a separation of your two principal areas, the natural wonders of the parks and the historic units that you have jurisdiction over; Yellowstone, Yosemite, Zion, the beautiful parks in Mr. Hansen's area. You have the Lincoln Monument. You have the Washington Monument; Independence Hall.

Now, as Mr. Pombo pointed out, we have got to find the moneys somewhere to deal with the Presidio and the California desert which are huge. They are going to take lots of money. And as Mr. Studds pointed out, he would like a nice park in Boston Harbor. There are a number of the islands there that he would like to have connected with a boat, and I think that would be a very beautiful kind of a park.

And then I know of your interest in preserving the battlefields of the War Between the States, the Civil War, and we have just about gotten into that. There are so many battlefields we haven't covered yet—history. And Mr. Regula has seen to it that the Taft and the McKinley houses have been reconstructed in the State of Ohio. History on one side and natural beauty on the other. Should

there be a subordinate agency or a branch of yours or another agency that takes care of history and lets you take care of the magnificence of Yellowstone and Yosemite and the other parks?

Mr. KENNEDY. Mr. Yates, I have learned over the past decades never to differ with you when I could avoid it, but I have to in this instance.

Mr. YATES. You may have learned not to differ with me, but you have differed with me from time to time.

Mr. KENNEDY. I have, sir, yes, from time to time. I don't think there is a distinction in American life between the natural and historic areas except in extreme cases. We have 22,000 historic buildings in the National Park System. Some of them are in places like Yosemite and Rocky Mountain National Park. There is an interrelationship between human habitation and human creation in big parks and small parks.

Let me just give you, and I don't want to belabor this point and we can respond in writing, the Custis-Lee mansion (The Arlington House), which is pretty close to us here, has a patch of old growth behind it, a patch of old growth in the valley that is as good a place to talk about what primeval Virginia was as anything in the State. It is just not being used that way yet. So it is real hard to make these distinctions, and I would like to extend my remarks at considerably greater length with you because I think this is a very important subject.

Mr. YATES. Well, I think it is too, and I hope you will extend your remarks. I think it is a very important subject, and while you are on the business of extending your remarks, you might want to extend your remarks on the question of unfunded mandates.

Mr. KENNEDY. Yes, sir. I would like very much to do that.

Mr. YATES. OK. Thank you.

Mr. HANSEN. Thank you, Mr. Yates. Mr. Allard.

Mr. ALLARD. Thank you, Mr. Chairman. I would like to also express my support for the idea where we have both the authorizing committee as well as the reference committee meeting jointly like this. I think it helps both of us to understand these issues much more fully and would encourage both our Chairmen to work toward that.

I have a couple questions. The investigator's testimony stated that without accurate accounting and sound financial management, the Park Service's ability to identify and marshal its resources to accomplish its mission will be hampered. Now, to me we are talking more than just balancing the books. We are talking about the fundamental ability of the agency to carry out its mission. Would you agree with that?

Mr. KENNEDY. Yes, sir.

Mr. ALLARD. Now, I have been listening to your response to the question. Specifically, what would you propose to do about it?

Mr. KENNEDY. Specifically, we are going to deliver to you the protocol between us and the Inspector General's Office which states exactly what we are going to do about it and when. That is a document of some size, but we are going to deliver that to you. That tells you what gets fixed when and by whom, and it is in that process that I want to welcome your participation.

Mr. ALLARD. You would deliver it and then enact it. Is that the assumption?

Mr. KENNEDY. You bet. You bet.

Mr. ALLARD. OK. All right.

Mr. KENNEDY. I want deadlines and so do you, and we will do that.

Mr. ALLARD. Now, the maintenance of the park facilities is certainly an issue of great importance to a lot of the members on this committee. I think that was clear today in a lot of the remarks that we all heard. And certainly when the public visits the park, they expect to have clean rest rooms and adequate facilities when they make those visits.

However, as I understand it, even if Congress directs the National Park Service to increase their total allocation of maintenance or even earmarks an increase in maintenance for a specific park, the superintendents still have the final say on how those funds actually get spent. For example, the Inspector General found that the National Park Service diverted maintenance funds for administrative purposes. Do you believe this situation should continue?

Mr. KENNEDY. No.

Mr. ALLARD. Thank you, Mr. Chairman.

Mr. HANSEN. Thank you, Mr. Allard. Mr. Vento.

HON. BRUCE F. VENTO, A U.S. REPRESENTATIVE FROM MINNESOTA

Mr. VENTO. Thanks, Mr. Chairman. It has been painful to sit here and to listen to the questions and the suggestions. I might point out a lot of these topics or many of them had been the subject of previous inquiries. I don't know. I think it is a good idea to look over as it is being done with regards to the reorganization plan. And the accounting systems and scoring systems that exist for the Park Service, it is impossible within a short period of time to resolve all the questions that have been raised of the testimony before us today. And some of it has actually gone well beyond and shows a closer study is necessary by, I guess, all members to understand.

I think the shock value of the \$6- or \$7-billion backlog is something that I had tried to talk about earlier in terms of the consequences of that. It might be helpful to get new appropriations from Congress. It also, I think, is a problem in a sense that it represents a whole litany of different issues that are not easily understandable, whether it is a backlog in terms of land that is within parks that has been there since they were designated since the system was, in fact, conceived in 1916, whether it represents unmet needs or maintenance, or whether it represents a wish list as is often the case.

It is important, I think, to understand for all of us that there is basically a prioritization in terms of many of the projects. For construction projects—they go through a pretty extensive analysis of what the construction projects are and the priority and the maintenance and the land. And very often those are rejected by the Appropriations Committee in their wisdom or in their lack of wisdom.

And the other priority area I think that is important to state is the nature in which the Park Service has grown to be what it is

today, and I think in many instances that has served the Nation very well. Obviously, the American love affair with parks—and as somebody has explained, the best idea that Americans ever had was the designation and development of parks—had come to be really a principal.

The way it has been organized is that superintendents had really been sort of the master of that particular area, and we have given them a great deal of autonomy so that they have some insulation from political and other decisions that are made. And today I think we are asking them to do something different, something significantly different in the sense of working with the communities around them, working with other agencies. In other words, this system is trying to bring this into the latter part of the 20th century and into the 21st century in terms of what we expect them to do.

I think that all of us would be well served by realistically appraising this, so that we can then go forth in an orderly manner and deal with the problems and the designations and the responsibilities which we are charged with executing.

The issue, of course, of reorganization fits this. As I look at this, obviously, I understand an arithmetic or another error in terms of what is present in an accounting system where a fire engine for \$133,000 is recognized as one cent. That is an arithmetic error. I don't think anyone wants that to occur.

I think there are more interesting questions in here that relate to housing, relate to entrance fees, and many of these things have been debated for a long time in terms of how we ought to proceed. The concession control over the dollars—I mean, some of these are methods when we inadequately finance a park, and we find that the park superintendent joins forces with the concessionaire to keep the money in the park and to have them execute and do things. So I think that repair of that policy or at least giving authority or direction in these instances shouldn't be difficult and should be accomplished. And so I look forward to working with them.

I think the reorganization plan, in fact, will lend itself to resolution of these problems. And I think there are basic accounting problems. I think two years ago when we went through the issue of how we had to cut back in terms of what was received from the appropriators, the fact is that we found the assessment process that was going on at that time nonsatisfactory.

I appreciate the Chairman's indulgence, of, you know, sort of closing the Washington Monument or whatever other popular details existed in 1992 in December was a problem for me, and I repeatedly asked the question of how that system worked. And the more we pushed at it, the mushier it became. So I think this reorganization we ought to go forward with.

I note that the GAO talks about an unusual—talks really—it reaches, and I don't really think in many instances of what is being proposed, Mr. Duffus, that the Park Service really necessarily has the authority or the direction to do some of the suggestions that you have made, as meritorious as they may be. But, Mr. Chairman, I see my time has expired without even asking a simple question,

but I hope I have added to the dialog and understanding of this problem. I will be here.

Mr. HANSEN. Thank you, Mr. Vento. I appreciate it. Mrs. Smith.

Mrs. SMITH. Thank you, Mr. Chair. I would like to start with Mr. Kennedy first and if there is enough time for Ms. Fleischman. I have done some research. I am obviously new so you correct me if I am wrong in what I am going to say. I am really happy to have you to do that.

I have looked over the past 10 years. We have added 30 units to the National Park System, and it appears from the testimony that is what is stretching us. We have just got so much so fast. Now, I wasn't here over the past two years, but in going through the committee action, it appears that the Clinton Administration has endorsed every park proposal to come along that we see. And you actually reversed the position of the previous Administration on 10 park bills, tests to find in support of acquiring them. So it appears that there has not been any, "Please don't add any more parks," coming from the Administration or from the Park Service.

Today, I listened and I have been reading your testimony here patiently trying to see really what was happening. It appears that nowhere along the line during the time that you have been here have you said, "Stop buying. Stop acquiring because we have these huge backlogs." And, in fact, it looks like the backlogs have been understated or not intentionally understated but possibly just totally mismanaged in what was happening out there, not necessarily your fault, maybe from prior, because of prior audits maybe being ignored.

What do you feel is your responsibility to this Congress and someone like me to tell me—do you feel there is any responsibility to say, "Don't acquire more. We have got too much"? Or do you only feel when you come to a point of crisis like we are in now, and I would consider it, if I were auditing this as a corporation, as bankrupt, and I would assign a receiver at this point, but do you feel you have any responsibility to ever say no or just to take what the Administration, and, obviously, you are of the Administration, as were people before you, and do what they politically tell you to do? And, obviously, you have carried the water for the Administration. What is your personal responsibility? To the Administration totally or to be responsible to me and say, "Too much. I can't manage. We have got too much. Time to take care of those beautiful parks that are falling apart"?

Mr. KENNEDY. I think I do have a responsibility of that kind, Mrs. Smith. There have been two large additions on my watch, California desert and the Presidio. I am a believer in both of them. I am a believer in both of those parks.

Mrs. SMITH. So while Rainier and Olympic in Washington State are not even able to handle what is coming in, other parks are starting to crumble, you still felt justified in supporting two large acquisitions when you had a backlog?

Mr. KENNEDY. May I respond?

Mrs. SMITH. Yes.

Mr. KENNEDY. That seems to me a reasonable inquiry, and the answer may be, though it needs to be longer, that in both of those instances, those properties were already in Federal hands and cost-

ing the taxpayer money anyway. And I know there will be other answers, but she has asked me a direct question as to my own responsibilities. Absent that, Mrs. Smith, I might not have had the same view personally and would have articulated it.

Mrs. SMITH. Difference in the Administration?

Mr. KENNEDY. I might. It didn't arise.

Mrs. SMITH. OK.

Mr. KENNEDY. But I think the answer to your question is does the Director of the Park Service have an independent responsibility to render a judgment, the answer is yes.

Mrs. SMITH. It doesn't look like that has happened over the last 10 years. Ms. Fleischman, I see as an auditor that you might have had some of the conclusions that I have had. Taking a look through this, again, if this was a corporation after even two bad audits and if I showed we were bankrupt, I would have assigned a receiver. Do you think as a receiver you could take this and bring some stability in the reporting back in six months if I were to ask you that as your manager or as a Court?

Ms. FLEISCHMAN. I am hopeful, very hopeful, given the commitment made by this Administration and the Department of the Interior, Director Kennedy, Assistant Secretary Frampton, and CFO Cohen that we will be able to report back to the Congress that substantial progress has been made in alleviating the problems that we have identified in our financial management statement reports.

Mrs. SMITH. What is your time line? And I realize I am out of time.

Ms. FLEISCHMAN. I beg your pardon?

Mrs. SMITH. What is your time line for receiving back a satisfactory answer?

Ms. FLEISCHMAN. I think that it will take several—frankly, I think it is going to take several years. I would like to say that all the progress—a total fix, if you will, a total repair job and a perfectly wonderful accounting system will be on line within six months. But, frankly, their problems are large. They have things to do that are going to take some time. If they maintain their course—if they stay the course, if they maintain their devotion to this, my best hope is 18 months. But they have got to stay the course.

Mrs. SMITH. Mr. Chair, could we have a preliminary report within six months of what has happened thus far? Eighteen months goes into another election. There may be more people, and I think that is a problem. Ten years of bad audits is because we re-elect people every two years, and nobody is accountable. We need a quicker response on that. I wouldn't accept that answer on that time line from anybody. No Board Director would, no Judge would, and you would probably assign someone to monitor that. I think that is too long. I would like to see something within six months maximum at least showing a good faith effort forward. These problems are big, but I bet we could privatize it, and I would have an answer within six months.

Ms. FLEISCHMAN. Mr. Chairman and Mrs. Smith, you will have a report within six months. We continuously audit the National Park Service, and we, in fact, will be starting the audit of looking at how and following up on what they are doing to correct the prob-

lems. Yes, you will have one within six months. I wish we would be able to say they had fixed it completely, but we will report to you on their progress. Absolutely.

Mrs. SMITH. Their progress. I think that is satisfactory. Thank you.

Mr. HANSEN. Thank you. Mr. Torkildsen.

HON. PETER G. TORKILDSEN, A U.S. REPRESENTATIVE FROM MASSACHUSETTS

Mr. TORKILDSEN. Thank you, Mr. Chairman. I too want to just echo the concerns expressed on both sides of the aisle about the inability to have an auditable financial statement for the last three fiscal years. I don't want to rehash those comments though.

I do want to mention, somewhat appropriately, a site in my own district. I have two sites in the 6th District of Massachusetts. One site was actually, and neither one is really new—one was actually acquired in the 1930's. It is only recently that any funds were requested to really make it usable for the public at large. Now, it is, I would say, about 75- to 80-percent complete, and, yes, with all the demands on the budget, I hope to see it through to completion.

I know there are incredible demands there under the, you know, guidance, and I don't know who came up with the idea, but Chairman Regula last year was able to work out an agreement where local, private concerns would donate 25 percent of the remaining cost of completing the project which includes building a replica of a maritime ship. But that type of approach, while I think it was novel last year, maybe it was the first time it was done, maybe not, I think it is going to be necessary more often in the future where local participation is going to have to be required. Certainly, I would hope that is going to be looked at in general.

I want to see the Salem Maritime site completed. I think it would be a waste of taxpayer dollars to go and complete 75 percent of a project and not see it through. Afterwards, on a wish list, as Congressman Studts mentioned, I would like to see the Harbor Islands added as well, but, obviously, you know, I would like to see us finish one project at a time as we can with very scarce resources.

My questions are varied; one general and one specific. I noticed that when I was working to try to secure funds for the completion of the Salem Maritime site, there was approximately a 30 to 32 percent administrative overhead charge that went to the Park Service, and I wondered what that money went for because I did not see it directly go to the site. And the comments I have heard about accountability here make me wonder what exactly is that additional 30 percent used for?

Mr. KENNEDY. Mr. Torkildsen, this is Mr. Dennis Galvin who runs that piece of Park Service. If anybody can answer your question, he can.

Mr. GALVIN. Thank you. Fifteen percent goes to supervise the construction project, and 16 percent is maintained for claims and change orders. So the 16 percent actually goes into the project. It is bricks and mortar money. Fifteen percent is for supervision. Eleven percent of the total project cost is for supervision to pay people to watch the people who build the government construction.

Mr. TORKILDSEN. And if there are not sufficient claim and change orders, is that money somehow reverted to the project or put in some type of a general category of funds?

Mr. GALVIN. It is maintained and accounted for project by project, and, in fact, there are congressional controls over moving the money.

Mr. TORKILDSEN. OK. The other question that I had dealt with the site itself. Last year under the new approach of asking local people to contribute 25 percent of the cost, we had a proposal to phase it in over two years so we would not have a disrupted plan and the added cost that goes with it. I believe the Park Service had committed to make it a high priority to complete it, and my question is did the President include the final funding for it in this year's budget?

Mr. KENNEDY. The answer is no.

Mr. TORKILDSEN. OK. Could you offer any insight into that?

Mr. KENNEDY. We will give you a written response to that, Congressman. I gave you the short form, and I will try to give you the long form.

[Mr. Kennedy's response was submitted following the hearing.]

Package 188, Complete Visitor Facilities and Restore Structures at Salem Maritime National Historical Park, is ranked 37 on the NPS Servicewide Priority List of construction projects. Although this is a comparatively high priority, the Service has found it more important to request funding for emergency and higher priority projects in 1996. These projects include replacing inadequate facilities at Shenandoah National Park, replacing unsafe housing at four areas (Crater Lake National Park, Alaska Region Parks, Mount Rainier National Park, and Grand Canyon National Park) and correcting unsafe sewage lines at Gettysburg National Military Park. The Service makes every attempt to include projects in its construction funding requests which consist of the following criteria: High Servicewide priority, planning progressed to a point of completion or near completion, and emergencies that must be addressed to prevent unsafe conditions or damage to resources.

The construction of a replica vessel representing the type of cargo ships that sailed in and out of Salem Harbor during the late 18th and early 19th centuries is considered a worthwhile addition to interpreting the historic significance of Salem's maritime history. Planning was begun on this project in fiscal year 1994, and the Service has committed an additional \$378,000 on planning funds for this project in fiscal year 1995.

Mr. TORKILDSEN. OK. Thank you very much, Mr. Chairman. I would be happy to yield back the balance of my time.

Mr. HANSEN. Thank you. We have gone through everyone at this particular time. We appreciate your patience and your long-suffering here, but if it is OK, we would like to just have a quick round. There are just a few of us here. Mr. Chairman.

Mr. REGULA. Mr. Chairman, did you want to have any other questions on your side?

Mr. HANSEN. I think Mr. Vento and Mr. Skaggs both have a question they would like to ask.

Mr. REGULA. Let us give them each one or at least one more question.

Mr. VENTO. Thanks, Mr. Chairman. The one point I wanted to make, Ms. Fleischman, is that you couldn't find these statements auditable, and that is not an unusual occurrence with regards to various Federal programs. I did a little oversight in my other role on the Resolution Trust Corporation, and for years we couldn't audit their statement. I don't know if we can yet. But in saying you

cannot audit it, does that imply that there is any wrongdoing in terms of how the moneys were expended?

Ms. FLEISCHMAN. No, sir, it does not imply that at all, I don't believe. What it means is there is insufficient backup data. They have a series of numbers for various accounts, and their backup data is insufficient. We can't audit it.

Mr. VENTO. Well, you said that you went back over this, if I could, because we haven't got much time—I understood the backup data, and I think I am going to ask some questions about that, but you said this was for the last few years. Did you go any further back than that? I mean, what I am trying to get at, to my colleagues and anyone else, is that I think there has been a customary pattern of use and expenditure in the Park Service.

For instance, I did some work in the Forest Service as my colleagues will recall, and we found out that we would appropriate money for wilderness, and it wasn't being expended on wilderness. It was being expended on administrative costs along the way, if you will recall. And it is a concern, and it is the same concern that I think that my appropriator friends would have here.

In other words, in three years you looked at this, but is this a matter of superintendents having, for instance, a lot of autonomy; regional directors having assessment processes that they put in place to pick up dollars; this sort of thing or the concession problem that you pointed out, or you pointed out the entrance fee issue? I believe you meant entrance fees, not user fees. I remember writing that law with Dick Cheney.

I understand the tension between myself and Mr. Yates and the appropriators who wanted to spend it the first year rather than wait until it came in. So the confusion reigns supreme. Is this the sort of problem that we are talking about, or don't you know all of what the questions I am asking you? Would you like to answer them for the record as well as a brief answer now?

Ms. FLEISCHMAN. I would like to give you a brief answer now. You have just catalogued a whole list of problems that we have identified in the Park Service for some years long before the Chief Financial Officer's Act was passed by the Congress in late 1990. The audit that I am referring to, the specific audit here, is an audit of a financial statement presented by the National Park Service. That requirement of the Service and other Federal agencies to produce such a financial statement did not go into legal effect until 1991. And so, consequently, they have only had the last three years to produce such financial statements, and we are required to go in and audit them. However, they have had longstanding financial management problems. They just continued to show up, and they show up more blatantly in a financial statement audit.

Mr. VENTO. Well, you know, one of our new colleagues asked for a preliminary report in 6 months, and you said in six months you would have it back. But if one of the requirements is to make an appraisal of the value of an asset, and that is going to have to figure into this calculation and they don't have the money to pay for the appraisals, that information is still going to be a blank space there. It is going to be an unknown, isn't it? I mean, how are they going to reconstruct the concession records in agreements that exist in X number—100 parks? I mean, I know about the concession

agreements. I know they exist, but there is no place that they have them accumulated so that we can see what the agreements are as to what the concessioners are going to do and what the Park Service is going to do.

Ms. FLEISCHMAN. I think that is one of the problems, Mr. Vento.

Mr. VENTO. So, I mean, in six months in all fairness to my colleague, she should be apprised of that, shouldn't she?

Ms. FLEISCHMAN. She will be apprised of the fact that, hopefully, they have made progress. I am not going to sit here and tell you that I think they will have accomplished everything. I don't think they will.

Mr. VENTO. Yes. I have my doubts about whether they will. I have my doubts, Mr. Chairman, that whether or not they can reconstruct that or whether we want them to reconstruct that. You know, I think the reorganization here, of course, obviously, is fair.

One of the other issues, and I don't want this to be missed, is that when they go through the prioritization in terms of maintenance or construction or purchase of land, all of which are ably controlled by my colleagues on the Appropriations Committee, very often they disregard—am I correct, Director Kennedy, that those priorities are disregarded and others are put in their place? I mean, I can think of a couple of sites that got a lot of dough, and they weren't really necessarily the priority. Right?

Mr. KENNEDY. That is right, sir. There is occasionally a disparity.

Mr. VENTO. Of course, I understand under the new regime that all of that will change so it will no longer be the case. The other point, Mr. Chairman, is I thought it was very instructive to talk about the increases in designation and units and what the cost is, whether it be Great Basin, which I had something to do with—in other words, upgrading Great Basin from Lehman Caves, again, which was all Federal land I might say.

I don't know what the extra cost was versus Lehman Caves where you had a visitors center. We may have put in some trails and some interpretation, but the issue is I think the cost of the newly designated units are really small in comparison to the major costs, and that is the increased number of visitors, the increased type of maintenance. I mean, I think Rainier probably and some other parks that have been discussed here—I wish it were Voyageurs, to tell you the truth—have greatly expanded their costs because of just the number of visitors, and they are trying to meet that need.

I might say and I think, Mr. Chairman, that most of us are great supporters of the Park Service, and we think you have done a great job trying to stretch scarce resources, and I think often it is not said. And I hope that we can begin to get a better understanding, all of us on the committee, of the work and the tasks that you have and work with you to accomplish and achieve the goals and expectations that we have. Thank you, Mr. Chairman, for your indulgence.

Mr. REGULA. Mr. Skaggs.

Mr. SKAGGS. Thanks, Mr. Chairman. I have more of an observation or comment than a question at this point. One is to again thank you all for the idea of bringing both the appropriators and authorizers together. I think it is a very constructive experience all

the way around. I also think a hearing like this is instructive because it reaches back, if you will, more than six years in time. And the ability of this group of Congresspeople to engage in a thorough and informed, and, I hope, constructive national interest discussion of this depended upon the experience, the historic perspective, the understanding on this side of the table that simply would not have been present had we been limited to three terms each.

Mr. VENTO. You won't find any disagreement at this table.

Mr. REGULA. Well, I just have one question. I want to be very clear that any construction, any land acquisition is a result of a policy enacted by the Congress either by putting money in an appropriation bill or by authorizing a land acquisition through the process of the authorizing committee. Am I correct in that?

Mr. KENNEDY. Yes, sir. That is certainly what ought to be the case, and I am instructed from behind me, and is. I feel that you need an affirmation that that is the case, should be, and will be. I believe that it is as well, but the important thing is that we concur that we should spend money as you want us to.

Mr. REGULA. So this body, the authorizing and the appropriating committees, have a responsibility to make it clear to those of you who represent the Executive Branch as to exactly how these policies should be implemented?

Mr. KENNEDY. Yes, sir.

Mr. REGULA. One last question. A comment was made about paperwork here, and, of course, I am concerned with the increased visitations and the importance of getting people on the ground to provide good services to the visitors that are coming from Ohio and all over the United States. Is there something we can do that will in some way streamline the paperwork, provide the accountability but not get an inordinate amount of time being spent on paper when it ought to be spent out there helping the people that want to use these facilities?

Mr. KENNEDY. Yes, sir. We have two or three pages of single-spaced things we don't think we should be doing anymore. Some of those—when those subjects come up, somebody responds, "Yes, but that is legislatively required." We are going to be coming at you, in response to your question, with detailed suggestions as to reports and stuff that we don't think produce any change in policy and aren't used by anybody, and we will be coming to you with that.

Mr. REGULA. Have you given this information to the Vice President on his program of reinventing government because he appeared before the Republican Conference a few days ago, and he had a whole list of things that they are trying to streamline? Are you working with them also?

Mr. KENNEDY. Yes, sir. That is going to the National Performance Review process.

Mr. REGULA. Well, Mr. Chairman, I think this has been a constructive meeting this morning. On behalf of the Appropriations Subcommittee, I want to thank you for your time and say again we want to work with you to give the people of this nation the best possible service in something they enjoy tremendously. The national parks are the jewels that are loved by the people, and we want to make their visits and their understandings and their edu-

cation experiences as constructive as possible. Thank you, Mr. Chairman.

Mr. HANSEN. Thank you. As you may recall, three months ago we asked for a list of things from you folks for all of the requests from Congress that you felt would restrict your work; burdensome; redundant; duplication. I think one of the purposes of many of us is to streamline as many of those things as we can, not make you jump through all the hoops. We could probably save 10 percent of the military budget if we didn't have all of the things that we are constantly asking the Pentagon to do. If you would do that, we would look forward to that.

You also noticed today that the statements from both Mr. Duffus and Ms. Fleischman were pretty pointed in some areas. You also got a good feel for both the authorizers and appropriators; a humbling experience, I guess, to come up here, and we do appreciate your candor and your openness. And I agree with my colleague, Mr. Regula, we want to work with you. We do feel this is probably one of our great national assets.

On the other hand, the American public wants us to live within our income, and so somehow we have got to work that out. I surely don't want to have a confrontational situation with you folks. Occasionally, those things come up, but we would like to work in harmony and compliance and good faith. So we will look forward to that, and let me join with Mr. Regula in thanking each and every one of you for being here; the excellent witnesses we have; the people who are in the room; just kind of a historic thing. I have never seen this done before, but I do think we have plowed some new ground, made it easier for all of us to kind of get two different shots at you at the same time, and maybe we can absorb it. We don't have to reinvent the wheel twice. I compliment Mr. Regula for suggesting this. I hope we can do that in the future.

Now, Mr. Hayworth has been in and out of the meeting a couple of times. We are concluding this here now, Mr. Hayworth, but I would feel that we are amiss if we don't give you at least a couple of minutes here.

Mr. HAYWORTH. Well, Mr. Chairman, I am very appreciative, and it is also good to see our good friend from Ohio who also serves in a Chairmanship, and the panel of witnesses coming in this morning. Please forgive me for having to go in and out, but such are the duties I am discovering here in the Congress of the United States and had a very good meeting with some constituents here just a few moments ago.

In that vein, Director Kennedy, I very much appreciate what you had to say this morning. I think there are some common threads that I find that regardless of our partisan labels we can agree with. Having said that, I would very much like to be associated with the remarks of the gentlelady from Idaho because I think she articulates some of the concern reflected in the reports that have been provided to us today.

And rather than dealing with a fiscal question per se, some of the questions that come from my constituents have to do more with the philosophical nature of our national parks. And, Director Kennedy, you made a statement earlier that was almost parenthetical in nature but gave me a little cause for concern. To quote from

your remarks about national parks, "We must protect them from the visitors."

And I can appreciate certainly the wear and tear, if you will, in the infrastructure and all of that, but what concerns me a bit is that at least in the minds of some of my constituents, and I dare say based on some of the releases I have seen specifically with the Grand Canyon National Park, there seems to be a philosophy or an intimation in some of the press releases over the summer, "We are full. Don't come. Make other vacation plans." And that just really concerns me. So on the record, I just want to know where you folks are coming from?

Mr. KENNEDY. First of all, I ought to withdraw that somewhat stupid parenthesis. What I was trying to say, we need a little more space. We are trying to take care of these places, and wear and tear is what I did have in mind, Congressman, of course. We need to be sure that there are stanchions up to tell you where you can't go and where you shouldn't go. I did not mean that we want to deny access to our Park System to anybody. No. You and I both know that in Voyageurs we are having reservation systems because there is just so much traffic that some of these places will handle, and I think we are going to have to get serious about that too.

My own view is—you asked a personal question—that this isn't so much a matter of people, persons on their feet, it has to do with people in vehicles. And we are going to have to get on with serious transportation planning. That is what I had in mind. I am grateful to you for letting me bail myself out of an inadvertence.

Mr. HAYWORTH. Well, Director Kennedy, I certainly do appreciate that, and I just wanted to follow up, and then I will be happy to supply for the record some news releases from the Park Service, particularly from the Grand Canyon Park, where it seems to be intimated that because it is so full, the unspoken message is, "Let us roll up the welcome mat because we really don't have room for you." And I know that is not the intent or at least I want to rest assured that is not the intent. Mr. Chandler, do you have a point?

Mr. CHANDLER. Congressman, I understand your point, but I agree with Director Kennedy and want to reemphasize this. The theater is full in some of our national parks, at least at certain times of the year. People are waiting in line. They are sitting in traffic jams, and I think what the Park Service needs to be about is trying to manage the peak periods better. Sometimes that does mean setting up a reservation system so that when you go there, when your constituents go there, when their relatives and friends come to Arizona, they have a high quality experience in that park. Nobody wants to stand in line for two hours for a hamburger. Nobody wants to be in a traffic jam in Cades Cove in the fall in the Smoky Mountains. They could have stayed in Nashville, you know, in rush hour and had the same experience.

So my organization is basically trying to spread the gospel that we are not anti-visitor; far from it. We want visitors to have top quality experiences in the national parks, and that is going to require some very delicate and sophisticated planning on the part of the park managers depending upon the site, the demand at the site, and so forth. But, you know, we have to have a balance here is all that I am saying. We can't just cram 10, 15, 20 million people

into one site and not have that park become something less than it could be if fewer people were there.

Mr. HAYWORTH. No. I think the point is well taken, Mr. Chandler. And perhaps a humble suggestion from one who spent his career in broadcasting. Maybe the message ought to be this; not only whether or not reservations prevail but certainly the welcome mat at different times of the year.

For example, the diversity within the State of Arizona in the 6th District, especially there in the desert where I live, temperatures in the 80's, which I am sure we would all enjoy right now—maybe I can get unanimous consent on that, Mr. Chairman—we would all enjoy those 80 degree temperatures—but you can go to the Canyon and see the snow and see those things. And perhaps the appeal ought to be, and again I take exception to the Chair who talks about the crown jewels of the National Park System being in Utah—I happen to think it is in the great State of Arizona—but be that as it may, the idea that, "Here are our precious resources. Come enjoy them at different times in the year." And I think that positive message needs to be sent because contrary to the beliefs of some folks in our political endeavors, I do not believe park should ever become a four letter word, if you know what I am saying.

Mr. CHANDLER. Absolutely, Congressman.

Mr. HAYWORTH. And I thank the Chairman.

Mr. HANSEN. Thank you. Again, thanks to all of you for being here. We appreciate your presence, and this meeting is adjourned.

[Whereupon, at 12:53 p.m., the subcommittees were adjourned, and the following was submitted for the record:]



National Parks and Conservation Association



**STATEMENT OF
WILLIAM J. CHANDLER
NATIONAL PARKS AND CONSERVATION ASSOCIATION**

**BEFORE THE
RESOURCES SUBCOMMITTEE ON NATIONAL PARKS, FORESTS, AND LANDS
AND THE APPROPRIATIONS SUBCOMMITTEE ON THE INTERIOR**

**ON FINANCIAL MANAGEMENT IN THE NATIONAL PARK SERVICE AND THE
NATIONAL PARK SERVICE REORGANIZATION PLAN**

FEBRUARY 9, 1995

Mr. Chairman and members of the respective subcommittees, my name is William Chandler. I am Director of Conservation Policy of the National Parks and Conservation Association (NPCA), America's only private, nonprofit citizens organization dedicated solely to protecting, preserving, and enhancing the U.S. National Park System. NPCA appreciates this opportunity to testify on the National Park Service's reorganization plan and on financial management within the Service. As an organization created just three years after the National Park Service, NPCA has been a witness to the steady growth of the park system and the Park Service bureaucracy which has grown up to serve it.

Though I stress that NPCA has been a witness, I will not pretend that NPCA has been a passive observer of the growth of the system. To the contrary, we have been advocates of the highest level of protection for America's most spectacular and most meaningful natural and cultural resources. Since 1919, we have been advocates and participants in the creation of more than half of the areas in the National Park System. Nonetheless, as advocates of the parks themselves, we frequently find ourselves in the position of criticizing the Park Service and its management of the lands under its stewardship.

On March 4, 1993, the Subcommittee on National Parks, Forests, and Public Lands conducted a hearing on budget accountability and financial management in the National Park Service. At that time, NPS was operating on a budget of \$1.4 billion and the National Park Service was unable to explain to the committee the mechanism for the distribution of funds and the reasons for chronic budget problems in a time of increasing NPS budgets. Now the Congress is considering a budget rescission which may force NPS to pare down its budget; and the Park Service is itself in the process of reorganizing and reducing headquarters and regional office staff

1776 Massachusetts Avenue, N.W., Washington, D.C. 20036-1904
Telephone (202) 223-NPCA(6722) • Fax (202) 659-0650



PRINTED ON RECYCLED PAPER

by 35 percent in the next four years. As advocates for the parks, we would strongly urge both the authorizing and appropriations committees to proceed in ways that ensure that the integrity of the parks does not suffer in the rush to tighten belts and reduce the size of government.

Financial Management of the National Park Service

In the President's Budget for FY 1996, released Monday, the Administration recommended \$1.55 billion for the NPS, \$1.16 of that for Operations (ONPS). Most of these funds are distributed to the parks in amounts historically evolved as the park base. Unfortunately, the logic behind the construction of park base and the rationale for its continued legitimacy remains obscure. Nonetheless, these numbers have become sacrosanct and create a rigidity in the budgeting process. In addition, since the 1993 hearing, the "backlog" of NPS needs has seemingly more than doubled, from \$2.3 billion to nearly \$6 billion. The Congress and the public needs to understand what exactly these figures mean. We believe that, with that understanding, the nature of the challenges facing the Park Service will become much clearer and there will be more flexibility in meeting priority needs.

It is important for the Park Service to clearly and adequately explain the basis and distribution of its budget. Indeed, in lean fiscal times, it is mandatory. However, Congress must not lose sight of the legitimate financial needs of the Park Service to appropriately manage park lands.

For some time, NPCA has endeavored to document the needs and problems facing the national parks, and Americans' perceptions of the parks. Last year, NPCA conducted a survey of park superintendents throughout the System, soliciting their opinions on the physical condition and management of the parks for resource protection and visitor enjoyment. We asked open-ended questions about priorities, problems and accomplishments at the park level. I have brought with me copies of the Superintendent Survey for members of the committee.

Superintendents' answers to two of the questions were particularly telling. We asked: *What is the single biggest problem with preserving the cultural/natural resources for future generations in your park?* Of the 235 parks which responded to the first question, 92 superintendents named lack of budget resources as the biggest problem. An additional 58 superintendents named budget related problems, such as inadequate staff resources, as the biggest problem.

We also asked, *What is the single biggest problem in providing for public use and enjoyment in your park?* Answers to this question followed a similar pattern. Of 207 responses, 54 superintendents cited the lack of budget resources as the single biggest problem in providing for public use and enjoyment of the parks. An additional 46 responses listed staff shortages and other budget related issues as the single biggest problem.

Superintendents are the line managers of the resources that the National Park Service is charged to protect and preserve. These men and women are the true stewards who live with the problems in the parks every day. Whatever this committee's response to the Park Service's

management of its budget, special attention must be paid to the impact of the committee's decisions on the line managers. Clearly, if nearly 50 percent of these managers state that the single biggest problem for the parks is related to lack of funds, any additional cuts at the park level may compromise the superintendents' ability to manage the parks for the enjoyment of visitors and for the preservation of the resources. Further budget reductions at the park level may seem penny wise today, but will be pound foolish tomorrow and thereafter.

Some of the superintendents' comments are reflections of the so-called backlog of needs facing the NPS. The size of the "true" NPS backlog is a question of perspective. When NPS testified two years ago, it presented to the committee a backlog figure of \$2.3 billion in "priority" projects. At that time, NPS testified that the backlog figure represented the top 195 projects on the shelf and ready for funding. The more recent figures discussed by NPS may be a better representation of the cost of funding all of the NPS needs as identified by individual park General Management Plans. We suspect that some of these projects are likely more representative of the Park Service's wishes, rather than actual short term needs. There seems little purpose to us in focusing on GMP-generated wish lists in this current budget climate. We urge, therefore, that the committee work closely with the Park Service to define and identify the true short term needs which provide the background for the superintendents' comments, and to develop a financial plan to fund them.

Understanding the pressure on the Congress to find funding mechanisms to augment park budgets, there should be realization that America's parks will never be self-supporting. Opportunities nonetheless exist to improve the parks' financial standing through better design of NPS fee systems, reform of park concessions operations, and various partnership agreements. But these reforms should be regarded as a means of augmenting park funding, not a means of replacing park budgets.

NPS Reorganization

As to the second topic of this hearing, the NPS reorganization plan, NPCA has only a few comments. The National Park Service has spent much of the last year considering an efficient way to reinvent its structure with the goal of flattening the NPS hierarchy, pushing more authority down to the park level, and reducing non-park specific FTEs. The plan NPS has presented to the Congress appears to accomplish this objective. Organizing parks in clusters institutionalizes park-to-park assistance that is already happening and should make common management tasks more efficient. We also understand that ad hoc clusters are being formed by parks with common characteristics -- seashore parks, caves, etc. -- and are also proving to be of value. Placing more authority in the hands of park superintendents will speed the pace of decision-making. The "new" Park Service will have to be careful to ensure that it provides a common framework for management accountability to the parks. It is in all of our interest to ensure that the National Park Service remains as one organization, and not a loose affiliation of park clusters operating with different sets of principles, policies, and standards.

NPCA's one major concern about the reorganization plan is the system support offices. We are

concerned that the concept is not workable with the number of FTEs available: it appears that there are simply not going to be enough people to provide the essential services which will be required by each cluster. This, in turn, may lead to simply recreating what are now regional offices, though in a far more fragmented way. It is our understanding that the Park Service plans to start implementation by creating system support offices in the places where regional offices are currently located, in order to minimize moving and other implementation costs. Although we support the reduction of the number of regional offices from 10 to 7, we ask that the agency and committees take another look at the workability of system support offices.

We look upon the reorganization as an opportunity for constructive change, and we urge that its initial implementation stages be carried out as quickly as possible. The kind of uncertainties that such proposals create among employees is debilitating to the continued work of an organization, and the Park Service is no exception. Central offices -- in Washington and in the regions -- have become dysfunctional, and the effects of downsizing have hit very unevenly. This has totally eliminated the Park Service's ability to do the job in some areas. Having begun, the agency needs to "get on with it," then make adjustments and corrections where necessary.

Conclusion

NPCA understands and agrees that a reorganization of the management structure and a dose of fiscal austerity may not be a bad thing for the Park Service. Like any longstanding federal agency, there is some level of institutional inefficiency. With this climate of austerity, the Park Service will be forced to perform triage on its priorities, and subject park management and programs to close scrutiny. This process of triage may help the Service focus on creating a more efficient system for managing the parks. It should also compel the Service to develop constructive relationships with private partners.

Like any corporation in America facing lean times, it is likely that the National Park Service will emerge as a stronger, more competent and more efficient organization. We urge the committees, however, to make sure that the austerity plan dictated to the National Park Service does not adversely effect the level of professionalism in the Service, and does not impact the viability of the natural and cultural resources under the protection of the National Park Service.

POINT PAPER ON GAO'S FEBRUARY 9, 1995, TESTIMONY ON THE NATIONAL PARK SERVICE (NPS)

I. NPS lacks data, internal controls, and performance measures on which to make informed decisions. (Example used is multi-billion dollar maintenance and reconstruction shortfall.)

1. Shortfall exists, but its accuracy can not be verified, and, in some cases, park officials do not know how estimates were derived.
2. NPS also cannot provide assurance that funds are used in the most cost-effective manner.
3. Inspector General has found that (a) maintenance funds used for administrative and nonmaintenance purposes; (b) ineffective controls over property, plant, and equipment; and (c) budgeted funds not adequately tracked and controlled.
4. Interior cannot provide a reasonable assurance of integrity of NPS management, accounting, and administrative control systems.
5. As a result, the Congress cannot hold NPS accountable for appropriations or performance, such as completing certain maintenance work to improve conditions.
6. If Congress gives NPS more discretion to increase and keep recreation fees and concessioner revenues, then Congress must also hold NPS more accountable.

II. NPS's Restructuring Plan Should Be Broadened

1. Plan does not address the potential to improve operations through a collaborative federal approach to land management.
 - A. Plan addresses only the gains to be derived from sharing resources within NPS.
 - B. Fiscal climate demands that agencies look beyond existing jurisdictions to reduce costs, increase efficiency, and improve service to the public by exploring opportunities to refocus, combine, or eliminate missions, programs, activities, and field locations.
 - C. Coordinated interagency strategy is needed.
2. Plan does not address functions and programs that could be eliminated or turned over to states or privates.
 - A. Hasn't asked the fundamental question: "What can and should the federal government do?"
 - B. Plan must be capable to accommodate changes from thorough sorting out of essential functions and programs.

United States General Accounting Office

GAO

Testimony

Before the Subcommittee on National Parks, Forests, and
Lands, Committee on Resources, and the Subcommittee on
Interior, Committee on Appropriations, House of
Representatives

For Release on Delivery
Expected at
10:00 a.m. EST
Thursday
February 9, 1995

NATIONAL PARK SERVICE

Better Management and Broader Restructuring Efforts Are Needed

James Duffus III, Director,
Natural Resources Management Issues,
Resources, Community, and Economic
Development Division



GAO/T-RCED-95-101

Messrs. Chairmen and Members of the Subcommittees:

I am pleased to be here today to discuss efforts by the Department of the Interior's National Park Service to improve its financial and program data, internal controls, and performance measures and to restructure its organization. My observations today are based on the 27 reports or testimonies that we have issued over the last 8 years on the Park Service's activities and programs.¹ My remarks also draw on products that we have issued over the last several years on the activities and programs of the other three primary federal land management agencies--Interior's Bureau of Land Management (BLM) and Fish and Wildlife Service (FWS) and the Department of Agriculture's Forest Service--as well as on the knowledge we have gained through our work on natural resources management issues of interest to the Congress.

Our work has raised several issues and concerns about the Park Service's financial and program data, internal controls, performance measures, and restructuring plans.

-- First, the Park Service does not have adequate financial and program data and controls to know (1) the nature or extent of many problems associated with the resources it is legislatively mandated to foster, protect, and preserve, (2) the effectiveness of measures taken to deal with the problems, or (3) the activities and programs to which the limited available resources can be allocated to do the most good; that is, to the problems that pose the greatest risk and are most amenable to remedy. The need for adequate data, controls, and performance measures is particularly critical given the highly decentralized nature of the Park Service and the autonomy of its individual unit managers.

¹Appendix I lists these GAO products.

-- Second, although the Park Service's restructuring plan addresses some of the challenges currently facing the agency--such as the need to meet the demands of an expanding system, growing numbers of visitors, and increasingly complex resource protection problems--the plan does not address the potential to improve operations through a collaborative federal approach to land management involving Interior's three land management agencies and Agriculture's Forest Service. It also does not consider which functions and programs could be eliminated or turned over to state and local governments or the private sector.

BACKGROUND

Over the years, the Park Service's basic mission of protecting the park system for the enjoyment of current and future generations has not changed. However, since the first park was created at Yellowstone over 100 years ago, the system has grown to encompass 368 units, including parks, monuments, and historic sites, covering about 80 million acres. The infrastructure of buildings, employee housing, roads, bridges, utility systems, and other facilities constructed to provide access to or make use of natural resources on Park Service lands has also grown to an estimated \$35 billion in value in 1991. In addition, the Park Service's duties and responsibilities have expanded to include protecting endangered and threatened species, maintaining or restoring environmental quality, identifying and assessing the effects of its own activities on the environment and natural resources, and developing long-range plans.

The Congress has increased appropriations for the Park Service's operations by more than 30 percent (in constant dollars) over the last 10 fiscal years to about \$1.1 billion in fiscal year 1995. In addition, parks have become big business; the number of recreational visitors has grown by over 20 percent since fiscal year 1985 to about 273 million in fiscal year 1994. In 1989,

concessioners operating on Park Service lands grossed revenues in excess of \$531 million, of which the government received about \$13.2 million, or 2.5 percent. The Service also collected \$59 million in entrance and user fees in fiscal year 1991. Another \$228 million in recreation fees went uncollected because of lack of incentives for the Service to collect the fees, legislative and deed restrictions, and staffing and funding shortfalls.² These issues--as well as the legislative precedent for directing revenues, such as user fees, back to the units that generated the revenues through their activities and programs--have been the subject of prior GAO reports to or testimonies before your subcommittees.

LIMITATIONS OF THE PARK SERVICE'S FINANCIAL AND PROGRAM DATA, INTERNAL CONTROLS, AND PERFORMANCE MEASURES

The Chief Financial Officers Act of 1990 requires federal agencies to establish financial management concepts that result in reliable systems and information to support decision-making and strengthen accountability. Four years after this act's passage, the Park Service has made little progress in implementing its provisions.

Time and again, our work, as well as that of Interior's Office of Inspector General, has shown that the Park Service lacks the necessary financial and program data, internal controls, and performance measures needed to (1) shift existing resources among competing priorities to accomplish, as fully as possible, the goals and objectives envisioned by the Congress, (2) rank priorities so that the most pressing issues receive the most attention, (3) link the planning process directly to budget decisions to have a greater

²See Recreation Fee Charges and Collections, National Park Service, U.S. Department of the Interior, Office of Inspector General (Report No. 93-I-793, Mar. 29, 1993).

impact on the allocation of new resources, and (4) measure program benefits to further help identify the most efficient and effective use of existing resources.

For example, as the number of park visitors has grown, so, too, has the shortfall between the needs for maintenance and reconstruction cited by park managers and the funds available to meet these needs. Estimates of this shortfall range from about \$2 billion to over \$4 billion and include costs for correcting everything from unmowed grass and peeling paint to collapsed structures and closed hiking trails. Some park managers report that some assets, including historical buildings, have deteriorated so far that, if not repaired or maintained soon, they may be lost for future generations. In addition, some national historic buildings have been temporarily closed to the public because of advanced deterioration.³

Although we do not dispute the existence of a shortfall, we have questioned (1) the validity of the data on which estimates of the shortfall are based and (2) the Park Service's accountability for the funds appropriated. For example, deferred maintenance on employee housing is included in estimates of the shortfall. However, we could not verify the accuracy of the Park Service's \$546 million estimate for repairing and replacing employee housing. Park Service headquarters had not provided guidance to regional offices and park units on how to prepare their estimates. As a result, at the 17 parks we reviewed, officials generally could not support their estimates and, in some cases, did not know how the estimates had been derived. Our work also has shown that the Park Service lacks basic financial and program data about concessioners

³In addition to GAO's reports, also see Audit Report: Maintenance of the National Park System, National Park Service, U.S. Department of the Interior, Office of Inspector General (Report No. 92-I-455, Feb. 21, 1992).

operating on its lands, threats to park units, and the condition of natural and cultural resources.

In addition, the Park Service does not have internal controls that provide adequate assurance that funds are used in the most cost-effective manner. For example, in its February 21, 1992, report on the maintenance of the National Park System, Interior's Office of Inspector General stated that maintenance funds were being used for administrative and nonmaintenance purposes and that the Service did not properly account for its fee program revenues. On September 23, 1994, Interior's Inspector General reported that the Service (1) had not effectively implemented recommendations in prior Inspector General reports to correct such weaknesses as ineffective controls over cash receipts and disbursements and property, plant, and equipment and (2) had materially misstated some of its account balances. Furthermore, according to the Inspector General, the Service could not ensure that budgeted funds were adequately tracked and controlled.⁴ On the basis of the Inspector General's recommendation, Interior reported on December 29, 1994, that the Park Service was one of only two departmental agencies (the Bureau of Indian Affairs was the other) for whose management, accounting, and administrative control systems it could not provide a reasonable assurance of integrity.⁵

Good baseline data and adequate financial controls are prerequisites for developing reliable financial reports and useful performance measures to improve accountability and stewardship and to lower costs by focusing on results. For example, in a 1984

⁴See Quick-Reaction Survey Report: National Park Service Financial Statements for Fiscal Years 1993 and 1994, U.S. Department of the Interior, Office of Inspector General (Report NO. 94-I-1269, Sept. 23, 1994).

⁵See The Federal Managers Financial Integrity Act: Secretary's Annual Statement and Report To the President and the Congress, U.S. Department of the Interior, Dec. 29, 1994.

report, we concluded that the Park Service did not have a system to plan, organize, direct, and review its maintenance activities and therefore could not ensure that its assets received the necessary upkeep and that park maintenance activities were efficient and effective.⁶ Now, a decade later, the Park Service has developed a system (the Maintenance Management System) for tracking maintenance activities at the park level; however, this system is not reliable and is not used by Park Service officials to track progress. As a result, the Park Service cannot implement results-oriented management by defining targets for performance goals, developing performance indicators to measure progress toward the goals, collecting performance data, and analyzing and communicating results. These limitations hinder or preclude the Service from linking its resource allocation decisions to specific performance accomplishments.

Under the Government Performance and Results Act of 1993, the Park Service's efforts will need to be reflected in Interior's annual performance plan covering the programs and activities set forth in its budget beginning with fiscal year 1999. For a given funding level, specific results are expected. Actual program results can then be compared with established goals. For example, a national park may be allocated maintenance funds with the understanding that certain work will be performed so that conditions at the park will be retained at or brought up to standard. Park superintendents will then be held accountable for completing the work. However, the Park Service will not be able to incorporate performance goals and indicators into its planning and budget processes until it develops good baseline data and adequate financial controls.

⁶See National Park Service Needs A Maintenance Management System (GAO/RCED-84-107, June 1, 1984).

As we have noted in prior products, the park system is capable of generating additional revenues that could be used to supplement or supplant the Park Service's yearly appropriations. For example, the Congress is considering giving the Park Service more discretion to increase entrance and user fees and reform its concessions policy and to direct at least a portion of the increased revenues back to the units that generated them. However, we believe that such discretion in generating and using federal funds must be accompanied by improvements in the Park Service's accountability and stewardship, including improvements in its financial and program data and internal controls. Only after these improvements are implemented can measurable performance goals be established and performance indicators be developed to measure accomplishments and enable the Park Service to lower costs by focusing on results.

STATUS OF THE PARK SERVICE'S RESTRUCTURING EFFORTS

Interior and other federal departments and agencies are currently implementing the recommendations contained in the administration's September 7, 1993, National Performance Review (NPR) report. NPR is intended to "reinvent" government so that it works better and costs less.

To meet the goals of NPR's first phase, as well as other streamlining directives from the administration and legislative mandates, Interior asked its agency heads, including the Park Service Director, to review their organizational structures and identify strategies to reduce layers, increase the span of control for supervisors, and reduce headquarters functions while protecting on-the-ground employees who deliver services directly to Interior's customers. The restructuring plan for the Park Service--developed by a team of park, regional, and headquarters personnel and approved by Interior--addresses these objectives and seeks to meet the challenges of an expanding system, growing numbers of visitors, and increasingly complex resource protection problems. The plan

will be implemented over the next 4 fiscal years at a still-to-be-determined cost.

Shifting Resources to the Field

The Park Service's restructuring plan would shift about 1,000 positions from headquarters and central units to the field and would reduce the total number of Park Service employees by 459, or about 2 percent, below the fiscal year 1994 level. The Park Service would organize its field units into 16 ecologically-culturally-geographically based clusters of 10 to 35 units each. Each cluster would be supported by a Systems Support Office that would serve its field units by providing, among other things, professional, technical, and administrative services and acting as a liaison with agencies and others.

Under the restructuring plan, the Park Service's 10 current Regional Offices would be reduced to 7 and called Field Director Offices. They would provide direction and oversight, formulate budgets, assist in media relations, and serve as the principal liaison for their respective areas. Each of the seven Field Director Offices would be collocated with a Systems Support Office to facilitate the sharing of general support services and space. In addition, 10 National Program Centers would provide administrative, technical, and other professional support to parks and other customers. Overall responsibility for such functions and activities as planning, external affairs, management systems, education and visitor services, natural resources stewardship and science, cultural resources and partnerships, professional services, and administration would remain at the headquarters level.

Broadening the Plan's Scope

While we believe that the Park Service's restructuring plan should result in some improvements, we have two basic concerns about the strategy chosen by Interior and followed by the Park Service to develop the plan. First, the plan is limited primarily to changes that can be accomplished within the Park Service's existing structure. A broader, more efficient strategy could have explored the opportunities that exist across federal land management agencies to refocus, combine, or eliminate certain missions, programs, activities, or field locations.

Second, to meet the goals of NPR's second phase--announced on January 3, 1995--the Park Service is only now being asked to identify the functions and programs that it could terminate, privatize, or devolve to state or local governments. We believe that any effort to reinvent or downsize government needs to ask the basic question: "What can and should the federal government do?" However, because NPR is only now asking this fundamental question, the Park Service needs to recognize that a thorough sorting out of the functions and programs that are and are not essential to its mission could entail substantial changes in its structure, and it must ensure that its planned restructuring is capable of accommodating such changes.

Because Interior asked the Park Service to review only its organization and identify strategies to reduce its layers, increase the span of control for its supervisors, and reduce its headquarters functions, the Park Service's proposed restructuring plan addresses only the gains to be derived from sharing resources within the agency. The plan does not address similar benefits that could be derived from collocating or combining some of its functions, systems, activities, and programs with those of other federal land management agencies. Joint efforts in planning and budgeting; joint use of administrative, technical, and management

systems; and joint stewardship of natural and cultural resources could lead to greater efficiency.

In contrast, the Forest Service has proposed to collocate its regional offices with those of another Agriculture agency (the Natural Resources Conservation Service). In addition, the Forest Service's December 1994 reinvention report emphasizes collocation with other government agencies as a means of streamlining, sharing resources, and saving rental costs. The report notes that the Forest Service has already collocated over 60 of its units (about 6 percent) and, where opportunities exist, will pursue additional collocations.

In justifying its proposed structure for sharing resources, the Park Service's plan states that the changes will fundamentally alter the way in which the Service manages its activities, resulting in what it believes will be a more efficient operation that will better fulfill its extensive stewardship responsibilities. We agree with this philosophy but believe that the current fiscal climate demands that the four primary federal land management agencies look beyond existing jurisdictional boundaries in their search to reduce costs, increase efficiency, and improve service to the public. To encourage a broader perspective, we have supported experiments to build support for consolidating the management of adjacent federal lands. Moreover, to increase the probability of success, the agencies should incorporate these experiments into their ongoing efforts to downsize and restructure their respective organizations and that they should develop criteria to judge their progress toward achieving these objectives.

We believe that the current fiscal climate demands that the Park Service and other federal land management agencies work together to reduce costs, increase efficiency, and improve service to the public. Toward this end, we believe that the Park Service

needs to work closely with the Congress and other federal land management agencies to develop a coordinated interagency strategy to link Park Service reforms to reforms being proposed by the other agencies. The ultimate goal of this strategy would be to coordinate and integrate the functions, systems, activities, and programs of the Park Service with those of the other federal land management agencies so that they operate as a unit at the local level.

Messrs. Chairmen, this concludes my statement. I will be happy to respond to any questions that you or other Members of the Subcommittees may have.

**PERTINENT GAO REPORTS AND TESTIMONIES
BY SUBJECT AREA**

PARK SERVICE MANAGEMENT ISSUES

National Park Service: Reexamination of Employee Housing Program is Needed (GAO/RCED-94-284, Aug. 30, 1994).

National Park Service: Activities Outside Park Borders Have Caused Damage to Resources and Will Likely Cause More (GAO/RCED-94-59, Jan. 3, 1994).

Department of the Interior: Transfer of the Presidio From the Army to the National Park Service (GAO/T-RCED-94-64, Oct. 26, 1993).

Department of the Interior: Transfer of the Presidio From the Army to the National Park Service (GAO/RCED-94-61, Oct. 26, 1993).

National Park Service: Condition of and Need for Employee Housing (GAO/RCED-93-192, Sep. 30, 1993).

National Park Service: Scope and Cost of America's Industrial Heritage Project Need to be Defined (GAO/RCED-93-134, May 14, 1993).

National Park Service: Status of Development at the Steamtown National Historic Site (GAO/T-RCED-92-6, Oct. 11, 1991).

Air Pollution: Protecting Parks and Wilderness From Nearby Pollution Sources (GAO/RCED-90-10, Feb. 7, 1990).

The Maintenance Needs of the National Park Service (GAO/T-RCED-88-27, Mar. 23, 1988).

Parks and Recreation: Park Service Managers Report Shortfalls in Maintenance Funding (GAO/RCED-88-91BR, Mar. 21, 1988).

Parks and Recreation: Limited Progress Made in Documenting and Mitigating Threats to the Parks (GAO/RCED-87-36, Feb. 9, 1987).

CONCESSIONS ISSUES

Federal Lands: Improvements Needed in Managing Short-Term Concessioners (GAO/RCED-93-177, Sep. 14, 1993).

Federal Land: Little Progress Made in Improving Oversight of Concessioners (GAO/T-RCED-93-42, May 27, 1993).

APPENDIX I

APPENDIX I

National Parks: Issues Involved in the Sale of the Yosemite National Park Concessioner (GAO/RCED-92-232, Sep. 10, 1992).

National Park Service: Policies and Practices for Determining Concessioners' Building Use Fees (GAO/T-RCED-92-66, May 21, 1992).

Federal Lands: Oversight of Long-Term Concessioners (GAO/RCED-92-128BR, Mar. 20, 1992).

Federal Lands: Improvements Needed in Managing Concessioners (GAO/RCED-91-163, Jun. 11, 1991).

Recreation Concessioners Operating on Federal Lands (GAO/T-RCED-91-16, Mar. 21, 1991).

OTHER MANAGEMENT ISSUES

Management Reform: Implementation of the National Performance Review's Recommendations (GAO/OCG-95-1, Dec. 5, 1994).

Ecosystem Management: Additional Actions Needed to Adequately Test a Promising Approach (GAO/T-RCED-94-308, Sep. 20, 1994).

Ecosystem Management: Additional Actions Needed to Adequately Test a Promising Approach (GAO/RCED-94-111, Aug. 16, 1994).

Addressing the Deficit: Budgetary Implications of Selected GAO Work (GAO/OCG-94-3, Mar. 11, 1994).

Forest Service Management: Issues to Be Considered in Developing a New Stewardship Strategy (GAO/T-RCED-94-116, Feb. 1, 1994).

Management Reform: GAO's Comments on the National Performance Review's Recommendations (GAO/OCG-94-1, Dec. 5, 1993).

Natural Resources Management: Issues to Be Considered by the Congress and the Administration (GAO/T-93-5, Feb. 2, 1993).

Natural Resources Management Issues (GAO/OCG-93-17TR, Dec. 1992).

Interior Issues (GAO/OCG-89-24TR, Nov. 1988).

**DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL
SUMMARY OF TESTIMONY ON
FINANCIAL MANAGEMENT AND MAINTENANCE ACTIVITIES WITHIN
THE NATIONAL PARK SERVICE**

The Park Service was unable to produce auditable financial statements for fiscal years 1992, 1993, and 1994. The information in the financial statements was not accurate, reliable, or supported by the accounting system and was of little or no benefit to Park Service managers for purposes of managing scarce resources. For example:

- The accuracy of \$6.6 billion and \$68 million reported for assets and liabilities, respectively, was not verifiable, and there was insufficient documentation to support \$73 million in a receivables account. An accurate accounting of what is owned and of amounts owed to and due from others is essential to sound financial management and to efficient and effective utilization of resources.

Problems associated with Park Service management's lack of commitment to place a sufficiently high priority on financial management activities have been identified in several other OIG audits reports. These reports addressed issues such as personal property management, special funds held by concessioners, user fees retained by the parks, and maintenance. For example:

- There were inadequate controls over personal property -- 16,277 property items, valued at over \$27 million, may be lost, missing, or not verifiable. Also, property values were overstated by more than \$90 million.

- There were inadequate controls over special funds held by concessioners to make improvements to the parks and over user fees retained by the parks.

- Preventive maintenance was lacking in the Park Service. Facilities that were maintained on a cyclic basis eventually became more expensive to repair and rehabilitate and significantly contributed to the overall maintenance backlog. The backlog was impacted by factors such as insufficient requests for maintenance funds, maintenance funds being used for administrative projects, additional park areas and increased visitation, and the underassessment of costs to nongovernmental recipients who benefited from facilities maintained by the Park Service.

The Park Service has agreed to take corrective action on all of the identified problems. The Director of the Park Service has also agreed to commit resources necessary to improve financial management in the Park Service. We believe that many of the Park Service's programs and activities will benefit from improved financial management.

STATEMENT OF

**JOYCE N. FLEISCHMAN
DEPUTY INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR**

JOINT OVERSIGHT HEARING BEFORE THE

**SUBCOMMITTEE ON NATIONAL PARKS, FORESTS & LANDS
COMMITTEE ON RESOURCES
AND
SUBCOMMITTEE ON INTERIOR
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES**

FEBRUARY 9, 1995

Chairman Hansen, Chairman Regula, and Members of the Subcommittees:

I am pleased to appear before you today to discuss the results of our audits pertaining to financial management and maintenance activities within the National Park Service. We have identified significant problems in both of these areas, and these problems continue to hamper the Park Service's ability to accomplish its mission and goals efficiently and effectively. I will begin by discussing the results of our audits of the Park Service's financial statements and other related audits and conclude by discussing the results of our audits of maintenance activities.

Financial Management. In our current audit of the Park Service's annual financial statements for fiscal years 1993 and 1994, we concluded that the Park Service could not provide sufficient detailed financial records to verify the accuracy of the information in the financial statements. Overall, the information contained in the financial statements was not accurate, reliable, or supported by the accounting system. We believe that this situation is due to a lack of commitment from Park Service managers to place a sufficiently high priority on financial management controls and accurate financial data. Consequently, accounting errors were not detected or corrected, and the usefulness of the financial records for purposes of program

management such as budgeting and planning for routine operations was lost. Some examples of inaccurate accounting and the consequences thereof include:

No significant progress had been made by the Park Service to validate the accuracy of the \$6.6 billion and the \$68 million reported for assets and liabilities respectively.

Until the Park Service can accurately account for what it owns and what it owes, it cannot adequately plan for the use of its resources to accomplish its mission and goals.

There was not adequate documentation to support a \$73 million balance in a receivables account. Without adequate records, the Park Service cannot bill for amounts that it is owed.

An accounting error pertaining to accrued annual leave for Park Service employees resulted in the erroneous implication in the accounting system that Park Service had realized revenues of \$49 million.

The Park Service needs to establish an adequate internal control system to identify and correct such accounting errors in a timely manner. Adequate internal controls are needed to safeguard and maintain accountability over funds, property, and other assets and to ensure compliance with applicable laws and regulations. Correcting the internal control environment is probably the biggest obstacle faced by the Park Service as it works toward improving its financial management system, and until the

environment is corrected, it is highly unlikely that the Park Service will be able to produce auditable financial statements. Even more importantly, without accurate accounting and sound financial management, the Park Service's ability to identify and marshal its resources to accomplish its mission will be hampered. This is particularly important in these times of budgetary constraints and ever increasing use of the national parks.

Weaknesses and deficiencies in financial management occur throughout Park Service operations. We have identified a number of such instances that underlie and contribute to the fundamental problem of inadequate financial management. For example:

In a March 1994 audit report on the Park Service's implementation of the Department of the Interior's standardized accounting system, the Federal Financial System, we concluded that the Park Service had not implemented the system to its full capability and that the system as implemented did not meet established general and accounting functional requirements. Inaccurate and incomplete information was entered into the system from Park Service's prior accounting system, and insufficient effort was taken to fully implement or utilize certain features of the system. Problems related to the system continue to hamper the Park Service's efforts to produce sound financial data for use in Servicewide program management, as well as in preparation of accurate, reliable financial statements.

In another March 1994 audit report, we concluded that the Park Service did not maintain effective controls over personal property. We reported that as many as 16,277 property items, valued at over \$27 million, may be lost, missing, or not verifiable because the Park Service had not implemented adequate property control procedures. Also, property values were overstated by more than \$90 million because the Park Service did not ensure that data maintained in its automated personal property system were accurate. Examples of inaccurate data in the automated system were a vacuum cleaner worth \$150 that was listed at over \$800,000, a dishwasher worth \$350 that was listed at over \$700,000, a fire truck worth \$133,000 that was listed at 1 cent, and a mobile radio worth \$793 that was listed at over \$79 million.

In a September 1994 audit report on concession operations, we concluded that the Park Service did not adequately monitor special accounts whereby it allows concessioners to deposit or set aside funds in lieu of paying franchise fees. Because the funds were not submitted to the Park Service, the concessioners had direct control over the funds and how they were used. In 1992, concessioners in 20 parks deposited almost \$13 million into special accounts. At one park, there was no documentation to support the expenditure of \$1 million from a special account, although the contract language specified that the Park Service was to certify the actual expenditures from invoices submitted by the concessioner.

In a February 1992 report, we concluded that the Park Service did not adequately account for expenditures made from its user fee revenues. Public Law 100-203 allows the Park Service to retain entrance and user fees collected for expenditures on legislatively prescribed items. The legislation requires that fee program revenues be deposited into a special U.S. Treasury account the year collected and be available for distribution to the park units the following year for prescribed uses (for example, resource protection, research, interpretation, and maintenance activities related to resource protection). The Park Service, however, allowed the parks to expend the fee program revenues in the same manner as annual operating appropriations, which had the impact of not representing a proper accounting of actual fee program expenditures. In 1988 and 1989, respectively, \$50.3 million and \$51.4 million were deposited into the special U.S. Treasury account for entrance and user fee collections. Because these funds were commingled as a part of the Park Service's annual operations appropriation, neither we nor the Park Service could determine whether the revenues were expended for the purposes intended by the Congress.

Although many of the recommendations made in the audit reports I just cited have been implemented or are in the process of being implemented, the problems disclosed in our current financial statement audit indicate that much remains to be done. A recurring theme in our recent Park Service audits is that significant improvements are needed in how the Park Service conducts its financial management activities. Although the inability of the Park Service Headquarters to produce auditable financial

statements is not necessarily a reflection as to how financial management activities are conducted at each of the individual parks, we believe that the weaknesses and deficiencies disclosed in our audits indicate the need for effective internal control systems at both the headquarters and the individual park levels. Many of the weaknesses or deficiencies noted at these two levels could be corrected if the Park Service maintained complete, accurate, and timely automated information systems. This information is needed by both the Headquarters and the individual parks for the management of scarce resources, as well as for the production of auditable financial statements.

We are encouraged by the commitment of the current Director of the Park Service to devote the necessary resources to make needed changes to the accounting system. We believe that this commitment will go a long way in correcting problems in the Park Service's internal control environment. Unless this commitment is fulfilled, neither the individual parks nor Park Service Headquarters will be able to plan for and utilize resources to accomplish their varied missions, such as maintaining the parks and providing visitor services, in the most efficient and effective manner possible.

Maintenance. We believe that the Park Service's financial management problems have permeated many of its programs and activities, including maintenance, and have contributed to its problems in identifying resource requirements and obtaining resources. Further, we believe that financial management problems impair the Park

Service's ability to effectively and efficiently manage and protect scarce resources for programs and activities. Our audits concerning the maintenance of Park Service facilities are not as current as our audits of the Park Service's financial statements. However, the ever growing backlog of maintenance projects and of the financial resources needed to reduce the backlog exemplifies the need for improved financial management in the Park Service and warrants further discussion on the issue.

From 1989 to 1992, we issued several reports that addressed the Park Service's maintenance activities. For example, we reported that the Park Service had implemented an automated maintenance management system in 1990 that gave the Park Service the capability to effectively identify maintenance needs, plan work, determine resource requirements, and estimate costs. However, we also found that competing interests for maintenance funds and various other internal and external factors had contributed to a deficiency in the maintenance of roads, buildings, utilities, and other public use areas. As a result, routine maintenance that should have been performed on these structures has turned into major repair work or reconstruction. In that regard, the Park Service in 1991 identified a \$1.8 billion maintenance backlog for roads and housing.

In other audits, we identified additional factors that are properly classified as financial management problems which impact the backlog. Such factors include inadequate requests for maintenance funds, the use of maintenance funds for administrative

projects, and the underassessment of park concessioners and other nongovernmental recipients for maintenance work. Each of these problems impairs the Park Service's ability to identify and obtain resources necessary to provide maintenance of park facilities.

Park Service officials told us that under the line-item construction appropriation, the Park Service constructs new facilities without obtaining corresponding maintenance funds or resources to operate and maintain them. In addition, the advent of concessioner "special funds," that is, capital improvement and maintenance set-asides at certain parks, has resulted in additional facilities being added to the inventory at a time when parks are having difficulty taking care of existing facilities. Park Service officials also told us that new facilities were constructed at some parks by utilizing leftover materials from other projects and money from the Park Service's operational maintenance funds. For example, the Yellowstone National Park's Norris District Maintenance Building was built at a cost of \$10,000 utilizing leftover materials from another project. While the new facilities were needed, we believe that they were constructed at the expense of having other maintenance needs deferred and that they will result in an increase in the maintenance burden at these parks.

We also identified two internal financial management practices that hindered the Park Service's ability to administer an effective preventive maintenance program within the National Park System. These factors pertain to the use of regional program

maintenance funds for (1) Headquarters and regional office administrative expenses such as space, telephones, uniforms, and other unexpected or unfunded costs and (2) nonmaintenance purposes such as construction activities and major equipment purchases. For example, \$10 million of the \$269 million received by the Park Service for maintenance in fiscal year 1989 was reprogrammed for nonmaintenance purposes such as administrative costs, and \$2.6 million of its fiscal year 1990 maintenance funds was used to pay the District of Columbia for water and sewer charges. Yellowstone National Park used fiscal year 1989 cyclic maintenance funds of \$160,000, as well as quarters maintenance funds of about \$39,000, to help fund the construction of new employee housing that cost about \$1.3 million. As a result of these diversions, funds available for park operational maintenance purposes were reduced, while regional cyclic and repair and rehabilitation maintenance projects were postponed or canceled.

From 1980 to 1992, the National Park System grew from 327 areas to 357 areas. For example, the Great Basin National Park, near Baker, Nevada, encompassing over 77,100 acres, was added to the System in October 1986. The addition of such park areas increased the need for additional maintenance appropriations at a time when the Park Service was already experiencing funding shortfalls. In addition, park visitation increased during this period from 300 million people to about 338 million, an increase of 13 percent. Increased visitation requires additional litter and garbage pickups and campground maintenance and results in additional wear and tear on roads, trails, and

buildings. The increased number of people visiting the parks in the winter has resulted in a need for year-round employees and additional equipment and in an increase in the use of utilities.

The availability of maintenance funds was further eroded because the Park Service did not adequately assess and recover costs for maintenance and other improvements that directly benefited park concessioners and other nongovernmental recipients. For example, Sequoia National Park spent \$120,000 for work in the giant forest area to replace the water collection distribution system, to repair the sewer system, and to replace the water valve boxes -- repairs that should have been the concessioner's responsibility. Although we could not readily determine the total extent of maintenance costs that should have been charged to concessioners, we found that about \$2 million had been spent on repairs that directly benefited concessioners and other nongovernmental recipients at 10 sites we visited. Since over 100 of the parks have concession operations, we believe that the total maintenance subsidies provided to concessioners on an annual basis could be substantial.

In another audit, we learned that the Park Service had not adequately pursued cost recovery of approximately \$71 million spent on capital investments for utility systems from concessioners and inholders at National Parks and other sites. For example, Grand Canyon National Park had not pursued cost sharing for utility capital investments totaling \$20 million. These funds were expended for water system

modifications and wastewater treatment facilities, of which the concessioner's use was 80 percent and 84 percent, respectively.

In response to our recommendations, the Park Service agreed that additional funding was required and that it would, through improved management and planning, fully document needs and submit budget requests that reflect those needs with respect to other Servicewide priorities. The Service also agreed that it would place greater emphasis on budget integrity by requiring regions and parks to secure appropriate approval before expending funds for purposes other than those for which money was allotted. The Park Service also agreed to pursue the recovery of maintenance costs and cost sharing for capital investments for utility systems that benefited concessioners.

In each of our audits pertaining to maintenance, we noted a recurring theme of how inadequate financial management impairs the Park Service's ability to carry out its maintenance activities. Although we recognize that there are other factors that continue to impact the Park Service's ability to reduce its maintenance backlog, such as insufficient funding and increased visitation, we believe that improved financial management practices would alleviate some of the financial pressures.

In summary, improved financial management will go far beyond just enabling the Park Service to produce auditable financial statements. We believe that improvements in

financial management would enable the Park Service to accomplish its goals and mission, including maintenance activities, in a more efficient and effective manner. We further believe that improved financial management would enable the Park Service to better support requests for additional funding and to explain how appropriated moneys and revenues have been spent.

This concludes my prepared comments. I would be happy to respond to any questions the Committee may have at this time.

STATEMENT OF ROGER KENNEDY, DIRECTOR, NATIONAL PARK SERVICE,
DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON NATIONAL
PARKS, FORESTS AND LANDS OF THE HOUSE COMMITTEE ON RESOURCES AND
THE SUBCOMMITTEE ON INTERIOR APPROPRIATIONS, TO REVIEW FINANCIAL
MANAGEMENT IN THE NATIONAL PARK SERVICE AND THE NATIONAL PARK
SERVICE RESTRUCTURING PLAN.

February 9, 1995

Chairman Hansen and Chairman Regula, it is a pleasure to appear before your subcommittees today.

I appreciate and welcome the opportunity to meet with the subcommittees. As an overview, it is important to provide a little background about our agency. Our mission was established in the National Park System organic act of 1916 and has been amended to broaden our responsibilities. Essentially our mission is to:

- * Safeguard the nation's most significant natural and cultural resources for the benefit of this and future generations;
- * Provide for the enjoyment of visitors to the parks; and
- * Provide technical assistance and make grants to state and local governments to help them protect resources and provide recreational opportunities to their local communities.

To accomplish these goals we work cooperatively with state, local and private entities. We also are joined by enthusiastic

volunteers, businesses, cooperating associations, and foundations.

Since 1916, the NPS has provided the American public with a National Park System that conserves our natural resources and allows visitors to enjoy them. I believe we are succeeding in this goal. Visitation to the Nation's 368 National Parks was more than 265 million in FY 1994; projections for FY 1995 and 1996 are 270 million and 276 million, respectively. These numbers prove that national parks are and will continue to be in demand.

We are also showing marked success in protecting the parks. For instance, the NPS is:

- (1) Collaborating with other agencies to protect the Everglades National Park ecosystem;
- (2) Removing inappropriate development at Crater Lake, Sequoia and Yosemite National Parks; and
- (3) Protecting our heritage at Independence National Historical Park by replacing dangerous electrical systems and worn out water systems and installing modern fire prevention and fire fighting systems.

Today I will discuss two issues: accountability in the National Park Service and the National Park Service Restructuring Plan.

Restructuring Plan

We have proposed a restructuring of the National Park Service and have submitted a letter on January 17 to our Appropriations Subcommittee pursuant to the reprogramming guidelines. This restructuring is a result of three factors: 1) requirements of the National Performance Review, 2) legislatively mandated FTE reductions, and 3) the new demands and increasing challenges of a rapidly changing world that have confronted the National Park System over the past several decades.

The primary goal of our plan is to reduce central office overhead staff while increasing personnel available to the parks. The plan proposes to place more personnel and funding closer to the resources being protected and customers being served while retaining the National Park Service's professional capabilities and providing for its future improvement.

The NPS is required to downsize the agency. We are also required to fulfill the NPS Organic Act mandate to protect resources while providing enjoyment to visitors. The National Park Service has developed a way to accomplish both of these goals, without compromising the National Park System. In accordance with my agreement with the Secretary of the Interior, some of the FTEs saved in the downsizing of our central office can be relocated to parks to meet the Service's highest priority of staffing and

resource management needs. The NPS will meet the downsizing requirement by reducing the size of overhead costs to the agency. Our restructuring plan complements this effort.

In FY 1996, the restructuring of the Service will result in a reduction of approximately 300 positions from our central offices. The FY 1996 budget request proposes reallocating the central office positions and about \$14 million to parks to help protect resources and serve visitors. The role of the central office will be to provide program direction, policy guidance, and communication with the Congress.

By FY 1999, the restructuring effort will result in a 35 percent reduction of staff in central offices, creating a leaner, more effective Service. The current 10 NPS Regions will be replaced by 7 Field Directorates. The Field Directors will provide direction, oversight, budget formulation, and assistance in media relations for the parks and support offices. They will serve as the management interface for the area as a whole, ensuring consistency with national priorities while recognizing regional differences and concerns. The Field Directors, five Washington-based Associate Directors, the Deputy Director and Director comprise the National Leadership Council to set overall administrative and policy direction and priorities for the Service.

To formalize relationships among parks that already exist, to deal

with limited financial resources, and to meet complex mandates, the plan proposes that national park units will be grouped into 16 clusters. Each cluster will be composed of 10 to 35 park units reporting to a Field Director. Sixteen system support offices will provide support for field unit operations, and conduct partnership programs and activities, including involvement as a partner in regional and interagency activities. System support offices will provide services that the cluster parks determine are needed and are not available in the field units. By organizing system support offices on the basis of natural ecosystems and associations of prehistoric, historic, and contemporary cultures, NPS will strengthen its resource stewardship mission.

The plan stresses teamwork and shared interdependence among NPS units and programs, rather than policing and oversight from central offices. Overall accountability for field operations will lie with the Field Director; Servicewide program accountability will lie with the appropriate Associate Director. A smaller, interdependent National Leadership Council will be established to provide servicewide direction and leadership.

The Service will organize in a manner that increases accountability. Park managers will be required to compete for resource allocation and against priority setting among other park managers. At the same time, park managers will act as a joint oversight body of all the parks in the cluster. In addition, contracts will be signed between the Director and every

superintendent, to be enhanced by yearly workplans to be signed between the superintendent and the Field Director.

This new organizational structure is our attempt to make the NPS more effective, responsive, and efficient. I am confident that this plan will strengthen our capability for teamwork, both within the Service, and between the Service and its partners, which will be critical to improving our effectiveness as steward, educator, and partner.

The restructuring plan, however, cannot accomplish all of these goals alone. Other changes must be made. In terms of the overall financial management of the NPS, we are committed to reducing construction, operations and maintenance backlogs in a priority driven manner and improving our financial and performance accountability.

Financial Management

I know that the subject of backlogs for construction, land acquisition, and maintenance and operation of the System has been the subject of regular hearings by these committees. The continuation of this practice by you, Chairman Hansen, shows that your concern about the health of the System is equally acute. To have made this a joint hearing with the Subcommittee on Interior Appropriations adds significance to such oversight.

There has been and continues to be growing concern about how the NPS can juggle the demands of existing backlogs while meeting the needs of newly established parks. I share these concerns. Despite increases in our park operating funds over the past few years, it is still difficult for the NPS to keep pace with even more pressing needs for resource protection and demands by visitors and individual parks. There are steps that both the Congress and the NPS can take to reduce the backlogs and improve the condition of the system.

We both must concentrate on addressing high priority needs of the Service. We are near completion of a study that will result in an improved system for setting construction priorities. We also are nearing completion of a standardized system for defining natural and cultural resource protection needs.

Another component of the backlog issue includes both determining the amount of each backlog category and defining each. Although we may disagree over specific backlog amounts, there is no doubt that they exist.

I have convened a task force to clarify exactly what the backlog numbers are and how we can work to reduce them. The task force will have a report to me in March and I will share the results with the subcommittees. In the meantime, the NPS is cognizant of the need to confront this issue with the willingness to take reasonable

management actions on the task force's recommendations.

As for making sure that money spent by the NPS and other agencies produce results, Congress passed the Government Performance and Results Act (GPRA) in 1993 to provide a government-wide mechanism for ensuring that funds spent by Federal programs do the job for which they are intended.

In January 1995, NPS, with the assistance of the Office of Management and Budget and the General Accounting Office, began to implement GPRA. NPS is developing performance measures to lay the foundation for the strategic plan, and is establishing a performance-based budget to conform to GPRA. This management performance approach will be the NPS's primary management control to provide accountability over our program activities.

The Service has established a system of contracts between each superintendent and the Director, evaluated by each regional director. In addition, each superintendent is asked to prepare a yearly work plan to carry out the contract.

There are many other NPS program areas where our financial management and accountability are improving. I will be pleased to discuss these improvements at your request.

This concludes my testimony. I will be happy to answer any questions.



National Park Service

Accounting Operations Division

Accounting System Improvement Project: Project Plan

September 29, 1994

Introduction

There are several complex problems with the general ledger, external reporting, and internal control components of the accounting system used by the National Park Service (NPS). Because of resource constraints the NPS Accounting Operations Division (AOD) has not been as aggressive in resolving these problems as we have with finance and program management issues. After four years of operation with this system, we believe that we have a solid understanding of these problems and the actions necessary to correct them.

We recognize that we need to correct these problems in order to fully comply with the Chief Financial Officers Act and to ensure proper internal control. This project plan outlines the specific tasks NPS will complete to resolve these problems.

More specific details of NPS financial systems problems are detailed in *The Report to the Comptroller: Internal Financial System & Reporting Assessment* dated June 1994. Specific problems from this assessment can be grouped into four major categories:

- Unresolved problems resulting from the consolidation of regional financial operations and from conversion to the Federal Financial System (FFS).
- Specific systems problems with FFS.
- Problems with our accounting model (i.e., the specific general ledger accounts that are debited or credited with each accounting transaction).
- Inadequate internal controls.

Clearly, correcting these deficiencies is not merely contingent on obtaining the FTE identified in this paper. A specific mix of skills and NPS background is critical to successful accomplishment of identified corrective actions. Further, there are certain dependencies within the specific solutions identified below. For example, we must create viable reporting tools and provide them to accounting personnel and financial managers and correct system assurance problems before focusing on improving internal control. NPS will follow a phased approach to solving financial system deficiencies. This phased approach will ensure that we first focus on the most cost effective solutions and also on those that correct deficiencies whose resolution is a prerequisite to solving other problems.

Given the complex nature of our financial system's problems, this plan represents the optimal mix of resources and project life. Devoting more resources earlier will not significantly decrease required timeframes; however, dedicating fewer resources will substantially increase targeted completion dates.

Because of the different potential audiences reviewing this project plan, it contains three sections in successive levels of detail. First, this plan defines the three primary phases of the project's life cycle, provides a brief description of the major tasks in each phase, and identifies the specific resource requirements for each phase. Section Two outlines the target start and end dates associated

with each task described in section one. Section Three presents a detailed listing of the steps associated with each task identified in Section Two. Section Three information is presented in outline form, and was extracted from a project management database used to create this project plan.

I. Project Phases

We used the following approach to determine the optimal method for correcting our financial systems deficiencies:

1. Identify all known financial systems problems.
2. Identify the action necessary to correct each problem.
3. Identify the dependencies and prerequisite tasks associated with each corrective action.
4. Determine the solutions that will yield the greatest results preventing any further problems from compounding current account balances.

Based on this analysis, this project will be conducted in three discreet phases. Phase one will address problems that inhibit sound internal control in our current processing environment. Successful completion of phase one tasks will immediately benefit our current operations, and provide the foundation for tasks in phase two. Phase two will address problems with accounts that were posted erroneously in prior years. Phases one and two will ensure complete integrity of all off-line FFS data. Phase Three tasks are dedicated to ensuring proper control of the online tools that FFS provides to financial managers.

Successful completion of Phases one and two should enable the Office of the Inspector General to issue qualified opinions of NPS financial statements per the CFO Act. If we follow the schedule outlined in this project plan, we expect to receive qualified opinions of our 1995 financial statements, and unqualified opinions of our 1996 financial statements.

Phase One:

The primary focus of the first phase is to develop the necessary financial system tools that are required for correcting problems in future phases and preventing any additional problems in the current environment. We are currently working on the first phase, which includes the following action items:

- Develop a set of subsidiary ledgers and reports from these ledgers. •Subsidiary ledgers will be produced from the FFS journals, and the subsidiary ledger reports will match the general ledger. One report will be developed for each general ledger representing open items (e.g.,

Accounts Receivable, Accounts Payable, Travel Advances, Grant Advances, Contract Holdbacks, Imprest Funds, etc.).

- Using the same subsidiary ledgers, produce a set of management reports that replace the deficient FFS table-based reports (e.g., Schedule 9, Travel Advance Aging, etc.).
- Develop automated tools to identify unnatural balances in general ledger accounts and to flag potential problems (e.g., self balancing budgetary and proprietary accounts, debits equal credits within fund, verification of subsidiary ledger reports to the general ledger, etc.).
- Update the NPS written procedures to include new reports and processes necessary for internal control. Augment these procedures with worksheets that accounting technicians can use in their analytical and reconciliation work.

Assuming NPS can devote necessary resources, the target completion date for phase one is June 30, 1995. To accomplish phase one tasks, the following resources will be required for six months:

Team Leader:	Full Time. Requires expert knowledge of FFS architecture; Federal financial reporting and audit requirements; systems design, implementation, and documentation methodology; and a background of NPS implementation, conversion, and processing models.
Accountant:	2 people full time. Requires familiarity of existing NPS control procedures, the NPS accounting model, NPS reconciliation techniques, and sound writing skills.
Analyst:	Full time. A systems analyst should be familiar with the FFS architecture and process flows and should be an expert in preparing detailed system designs and test plans.
Programmers:	2 people full time. Contract programmers must be competent with FFS and its underlying CORE foundation software. Programmers must also be capable of interpreting and documenting FFS and CORE common routines.

Phase Two:

The primary focus of phase two is to correct the NPS accounting model and to correct prior balances. Timing of phase two is important: The pre-FFS (prior to 1991) annual accounts' open items will be closed in July 1995 to comply with the "M Account" legislation. Thus, reconciling old balances will be much easier. Further plans for changes to the accounting model should ideally be complete before September 30, 1995. Phase two tasks include:

- Document the ideal accounting model, including all transaction processing chains, associated general ledger entries, and annual closing models. Each processing chain will include sample pre-closing and post-closing "T Accounts."
- Reverse unsubstantiated adjusting entries to the general ledger.

- Adjust the general ledger balances to reflect only items with necessary supporting documentation (e.g., the accounts receivable balance should reflect the total of all bills).
- Correct current general ledger posting rules in FFS.

Assuming NPS can devote necessary resources, the target completion date for phase two is December 1995. To accomplish phase two tasks, the following resources will be required for seven months:

Team Leader:	Full time. Requires expert knowledge of FFS accounting and the NPS conversion from PFM. The team leader should also be familiar with the phase one activities and results.
Accountants:	2 people full time. At least one staff accountant must understand the standard general ledger and associated processing flows, as well as the FFS accounting model.
Analyst:	Full time. A systems analyst should be familiar with the FFS architecture and process flows, and should be an expert in preparing detailed system designs and test plans.
Programmers:	2 people full time. Contract programmers must be familiar with FFS and its underlying CORE foundation software.

Phase Three:

While Phases one and two will provide complete integrity between all off-line components of the FFS database, many on-line tables are also inaccurate. Although they do not directly impact NPS financial statements, NPS managers rely on these tables for up-to-date financial management information. The primary focus of phase three is to identify existing discrepancies in these tables and to correct them. Phase three tasks include:

- Develop extensive systems assurance programs which compare FFS journals to relevant tables.
- Adjust FFS tables as necessary.
- Update NPS internal control procedures to reflect new programs and reports.

Assuming NPS can devote necessary resources, the target completion date for phase three is December 1996. To accomplish phase three tasks, the following resources will be required for twelve months:

Team Leader:	Full time. Requires expert knowledge of online FFS Tables and how they are used by financial managers. The team leader should also be familiar with the phase one and two activities and results.
--------------	---

Accountants: Full time. Must understand the relationship between FFS journals and tables and be capable of writing procedures documentation.

Programmers: 2 people full time. Contract programmers must be familiar with FFS and its underlying CORE foundation software.

II. Proposed Schedule and Staffing

This section outlines the proposed start and end dates for the major tasks in each phase the project. Dates presented are contingent on receiving qualified support personnel at the beginning of January 1995. Although we indicate on the following table that some tasks are underway, analysis and corrective actions are performed only as resources permit.

We believe that the ideal project team for each phase should be composed of AOD accountants and accounting technicians and contract programmers from AMS. NPS accounting personnel are preferred since they understand and use FFS standard and NPS customized accounting routines and tables. Further, most of the NPS accounting personnel participated in or have knowledge of the processes used and actions taken or not taken during the consolidation of NPS financial operations and the conversion to FFS. Therefore, the AOD staff have the knowledge of what the deficiencies are, when and why they occurred, and what needs to be done to correct them.

We propose that AOD staff be assigned to the project teams, supported by AMS programmers, and request the Department's assistance in obtaining additional accountants and technicians to replace the AOD staff while they are dedicated to the project. The Office of Financial Management has agreed to help obtain staff from other bureaus.

Specific resources cannot be allocated to these tasks until NPS knows the skill mix of team members. The skill mix of team members will impact the proposed schedules, and any substitutions for key NPS personnel and AMS contractors will likely delay completion dates.

PHASE	TASK	START DATE	END DATE
One	Develop Subsidiary Ledgers	underway	1/31/95
	Develop Subsidiary Ledger/Management Reports	underway	5/31/95
	Develop Automated Internal Control Toolkit	5/5/95	6/30/95
	Update Internal Control Procedures	1/3/95	6/30/95
Two	Document Accounting Model	underway	9/30/95
	Correct General Ledger	underway	12/31/95
Three	Determine NPS "critical" tables	1/1/96	1/15/96
	Explore existing System Assurance programs	1/16/96	1/31/96
	Design, Code, Test, and Document required new programs	2/1/96	12/30/96
	Update Internal Control Procedures and Worksheets	5/31/96	12/30/96

III. Detailed Project Tasks

This section details the specific steps that must be accomplished to successfully complete each task identified in Section Two. Once specific members are assigned to the project team, start and end dates will be estimated for each of these steps, and specific resource assignments will be made. The following pages are extracted from a project management database that will facilitate successful project management.

□ Accounting System Improvement Project -- Summary Tasks

□ Project Preparation

1. □ Develop detailed project plan
2. □ Obtain upper management support of plan
 - A. □ NPS
 - B. □ DOI
 - C. □ OIG
3. □ Obtain team resources
 - A. □ Staff members
 - B. □ Contractor support
 - C. □ Location
 - D. □ PCs, software, phones, etc.

□ Phase One

1. □ Develop subsidiary ledgers
 - A. □ Determine extract process requirements
 - i. □ Determine which subsidiary ledgers must be included
 - ii. □ Explore transaction referencing mechanism for each general ledger in FFS journals
 - B. □ Obtain OIG and DOI approval of subsidiary ledger requirements
 - C. □ Investigate USGS and FWS Processes
 - D. □ Design extract process
 - E. □ Code, test, and document extract programs
 - F. □ Create subsidiary ledgers
2. □ Develop subsidiary ledger/management reports
 - A. □ Determine report requirements
 - i. □ Explore the presentation the OIG prefers for ledger reports
 - ii. □ Identify management requirements for each ledger
 - B. □ Design subsidiary ledger/management Reports
 - C. □ Obtain Departmental and OIG approval of Reports
 - D. □ Code, Test, and Document Report Programs
3. □ Develop automated internal control toolkit
 - A. □ General ledger control
 - i. □ Automatic population of the general ledger into a database
 - ii. □ Program to report all unnatural balances
 - iii. □ A program to ensure that all general ledgers are in balance within funds
 - Determine balancing rules
 - Obtain OIG and DOI approval of balancing rules
 - B. □ Automatic comparison of all subsidiary/ management reports to Summary Trial Balance

- 4. ☐ Update internal control procedures
 - A. ☐ Document all mission critical reports
 - B. ☐ Develop written procedures for how to confirm each report and an associated schedule
 - C. ☐ Create "signoff" worksheets for verification
 - D. ☒ Written procedures & worksheets for systems assurance of tables

☐ Phase Two

- 1. ☐ Develop accounting model
 - A. ☐ Document NPS posting rules
 - i. ☐ Identify processing chains
 - ii. ☐ Map general ledgers to transactions
 - iii. ☐ Model the closing transactions
 - iv. ☒ Document FFS general ledger posting rules
 - v. ☐ Obtain OIG and DOI approval of accounting model
 - B. ☐ Map general ledger to external reports
 - i. ☒ Review guidelines
 - ii. ☐ Obtain OIG and DOI approval of report mappings
 - C. ☐ Correct FFS posting rules
 - i. ☒ Clean existing rules
 - ii. ☒ Make changes to current posting model
- 2. ☐ Correct current general ledger balances
 - A. ☐ PFM Balancing
 - i. ☐ Analysis of PFM Conversion
 - ☒ FFS JVs vs PFM JVs
 - ☒ FFS JVs vs. FFS Documents
 - ☒ PFM GL to PFM Detail
 - ☐ Pass information into Toolkit
 - ii. ☒ Determine approach for cleaning up balances
 - iii. ☐ Obtain Departmental and OIG approval for method of cleanup
 - iv. ☐ Perform cleanup
 - B. ☐ 1991 Reconciliation
 - i. ☒ Reconcile cash
 - ii. ☐ Repost closing entries
 - iii. ☐ Run all "tools" and verify results
 - C. ☐ 1992 Reconciliation
 - i. ☐ Repost closing entries
 - ii. ☐ Run all "tools" and verify results
 - D. ☐ 1993 Reconciliation

- i. ☐ Repost closing entries
 - ii. ☐ Run all "tools" and verify results
- E. ☐ 1994 Reconciliation
 - i. ☐ Repost closing entries
 - ii. ☐ Run all "tools" and verify results
- F. ☐ Reverse all adjusting entries
- ☐ Phase Three
 - 1. ☐ Determine NPS "critical" FFS tables
 - A. ☐ Those used by NPS managers
 - B. ☐ Those used for external reporting, bill generation, advances
 - 2. ☐ Explore existing system assurance programs
 - A. ☐ Baseline FFS
 - B. ☐ Baseline DOI
 - C. ☐ Other Bureaus/Agencies
 - 3. ☐ Design, code, test, and document required new programs
 - 4. ☐ Update internal control procedures and worksheets

□ Accounting System Improvement Project -- Detailed Tasks

□ Project Preparation

1. □ Develop detailed project plan
2. □ Obtain upper management support of plan
 - A. □ NPS
 - B. □ DOI
 - C. □ OIG
3. □ Obtain team resources
 - A. □ Staff members
 - B. □ Contractor support
 - C. □ Location
 - D. □ PCs, software, phones, etc.

□ Phase One

1. □ Develop subsidiary ledgers
 - A. □ Determine extract process requirements
 - i. □ Determine which subsidiary ledgers must be included
 - Accounts receivable
 - Accounts payable
 - Travel advances
 - Grant advances
 - Imprest funds
 - Disbursements in transit
 - Contract Holdback
 - Obligations
 - Commitments
 - Interest receivable
 - Interest payable
 - ii. □ Explore transaction referencing mechanism for each general ledger in FFS journals
 - B. □ Obtain OIG and DOI approval of subsidiary ledger requirements
 - C. □ Investigate USGS and FWS Processes
 - D. □ Design extract process
 - E. □ Code, test, and document extract programs
 - i. □ Modify existing code if appropriate
 - F. □ Create subsidiary ledgers
 - i. □ Initially create FFS-to-date subsidiaries
 - ii. □ After Phase II, create converted PFM Subsidiary ledgers
2. □ Develop subsidiary ledger/management reports

- A. ☐ Determine report requirements
 - i. ☐ Explore the presentation the OIG prefers for ledger reports
 - ii. ☐ Identify management requirements for each ledger
- B. ☐ Design subsidiary ledger/management Reports
- C. ☐ Obtain Departmental and OIG approval of Reports
- D. ☐ Code, Test, and Document Report Programs
- 3. ☐ Develop automated internal control toolkit
 - A. ☐ General ledger control
 - i. ☐ Automatic population of the general ledger into a database
 - ☐ Explore PC vs. mainframe options
 - ii. ☐ Program to report all unnatural balances
 - iii. ☐ A program to ensure that all general ledgers are in balance within funds
 - ☐ Determine balancing rules
 - ☐ Debits equal credits
 - ☐ Budgetary accounts in balance
 - ☐ Proprietary accounts in balance
 - ☐ Budgetary accounts reconcile with proprietary accounts
 - ☐ Cash balances
 - ☐ Which rules apply across years vs. within a year
 - ☐ Obtain OIG and DOI approval of balancing rules
 - B. ☐ Automatic comparison of all subsidiary/ management reports to Summary Trial Balance
 - i. ☐ Consider population of an on-line table
- 4. ☐ Update internal control procedures
 - A. ☐ Document all mission critical reports
 - B. ☐ Develop written procedures for how to confirm each report and an associated schedule
 - C. ☐ Create "signoff" worksheets for verification
 - D. ☐ Written procedures & worksheets for systems assurance of tables
 - i. ☐ Table Control Worksheets and list of what to do based on results
- ☐ Phase Two
 - 1. ☐ Develop accounting model
 - A. ☐ Document NPS posting rules
 - i. ☐ Identify processing chains
 - ii. ☐ Map general ledgers to transactions
 - iii. ☐ Model the closing transactions
 - iv. ☐ Document FFS general ledger posting rules
 - ☐ ACEV, Tables, GLTT
 - ☐ D/C code; I/D indicator, sign of amount

- ACED/ACEN/ACEV rules
 - v. ○ Obtain OIG and DOI approval of accounting model
 - B. ○ Map general ledger to external reports
 - i. ○ Review guidelines
 - OMB Circular 133
 - GAO Accounting Guide -- Basic Tips Relating to Appropriations and Reimbursables
 - PFM Review of problems dated Dec 2, 1991
 - ii. ○ Obtain OIG and DOI approval of report mappings
 - C. ○ Correct FFS posting rules
 - i. ○ Clean existing rules
 - Clean up posting rules in a test application
 - Evaluate AMS recommendations
 - Remove obvious violations
 - Run RGLAAE
 - Build Database of ACED/ACEN/ACEV
 - Rout TC/TT List to AOD for Comment
 - Consolidate List of TC/TT Combinations
 - Download ACED/ACEV/ACEN files and clean
 - Load to a test environment and test
 - ii. ○ Make changes to current posting model
 - Report of posting rules we used
 - Prepare a list of problems with existing rules
 - Review AMS Audit
- 2. ○ Correct current general ledger balances
 - A. ○ PFM Balancing
 - i. ○ Analysis of PFM Conversion
 - FFS JVs vs PFM JVs
 - Build reconciliation template
 - Populate spreadsheets for each fund
 - Route errors to people who can explain
 - Create report of just processed
 - Create report of JVs processed by GLAC, Fund
 - FFS JVs vs. FFS Documents
 - Create extract files of journals
 - Validate PFM Detail Journals
 - GLBL
 - Date/Time stamp for overlap

- Check files for dupes
 - Create consolidated reports for each
 - Create template in Lotus
 - Populate spreadsheets
 - PFM GL to PFM Detail
 - GL = Subsidiaries
 - GL = Final 2108
 - Compare PFM allottee GL to GL total (may use Allottee Report)
 - Pass information into Toolkit
 - ii. ○ Determine approach for cleaning up balances
 - Determine corrections that have already been made
 - Transaction analysis
 - Clear all old transactions
 - Reverse all adjusting entries
 - iii. ○ Obtain Departmental and OIG approval for method of cleanup
 - iv. ○ Perform cleanup
 - B. ○ 1991 Reconciliation
 - i. ○ Reverse all adjusting entries
 - Brought Forward from PFM
 - 224 APRD for each month
 - Custom 224 detail report
 - ii. ○ Repost closing entries
 - iii. ○ Run all "tools" and verify results
 - C. ○ 1992 Reconciliation
 - i. ○ Repost closing entries
 - ii. ○ Run all "tools" and verify results
 - D. ○ 1993 Reconciliation
 - i. ○ Repost closing entries
 - ii. ○ Run all "tools" and verify results
 - E. ○ 1994 Reconciliation
 - i. ○ Repost closing entries
 - ii. ○ Run all "tools" and verify results
 - F. ○ Reverse all adjusting entries
- Phase Three
- 1. ○ Determine NPS "critical" FFS tables
 - A. ○ Those used by NPS managers
 - B. ○ Those used for external reporting, bill generation, advances

- 2. ☐ Explore existing system assurance programs
 - A. ☐ Baseline FFS
 - B. ☐ Baseline DOI
 - C. ☐ Other Bureaus/Agencies
- 3. ☐ Design, code, test, and document required new programs
- 4. ☐ Update internal control procedures and worksheets

Report on Land that NPS Has in Its Possession
 NATIONAL PARK SERVICE
 SUMMARY OF ACRES
 AS OF: 12/31/94

SUMMARY BY TYPE OF AREA	TYPE OF AREA	FEE ACRES	LESS THAN FEE ACRES	SUB-TOTAL ACRES	OTHER PUBLIC ACRES	PRIVATE ACRES	SUB-TOTAL ACRES	GROSS AREA ACRES
INTERNATIONAL HISTORIC SITE		22.19	00	22.19	00	13.20	13.20	35.39
NATIONAL BATTLEFIELDS		8,548.69	1,561.18	10,109.87	132.00	2,915.43	2,988.97	13,098.84
NATIONAL BATTLEFIELD PARKS		7,985.25	22.05	8,007.30	4.54	715.43	719.84	8,727.14
NATIONAL BATTLEFIELD SITE		1,000	00	1,000	00	00	00	1,000
NATIONAL HISTORIC SITES		16,686.13	717.70	17,403.83	828.31	4,880.39	5,707.20	23,111.03
NATIONAL HISTORICAL PARKS		109,473.85	2,793.71	112,267.56	30,270.78	19,438.16	49,708.92	161,976.48
NATIONAL MONUMENTS		143,679.69	1,513.99	145,193.68	58,522.22	27,154.82	83,677.04	228,847.52
NATIONAL MILITARY PARKS		34,591.21	179.70	34,770.91	183.12	3,200.81	3,384.93	38,047.04
NATIONAL MONUMENTS		1,735,981.01	6,083.95	1,742,064.96	8,911.78	313,307.93	322,219.71	2,064,284.69
NATIONAL PARKS		47,979,483.75	131,859.94	48,111,343.69	2,042,701.26	1,557,662.05	3,600,363.31	51,714,707.00
NATIONAL PRESERVES		20,184,424.09	13,732.34	20,198,156.43	1,729,755.74	1,761,307.68	3,490,063.42	23,689,219.85
NATIONAL RECREATION AREAS		3,348,034.08	2,476.42	3,350,510.48	158,518.95	183,599.77	350,118.72	3,700,629.20
NATIONAL RIVERS		28,901.78	1,350.11	29,951.89	25,708.00	22,747.30	23,455.30	33,407.19
NATIONAL SCENIC TRAILS		104,009.79	17,022.62	121,032.41	5,922.95	94,435.00	119,477.59	416,018.22
NATIONAL SEASHORES		462,588.28	14,804.12	477,392.38	104,129.33	11,132.64	112,262.77	589,655.15
NATIONAL WILD & SCENIC RVRS		57,122.38	14,425.44	71,547.80	42,475.33	105,354.30	147,830.13	219,377.93
PARKS (OTHER)		34,711.34	2,785.95	37,497.29	69.90	1,380.08	1,450.98	38,947.27
PARKWAYS		155,028.79	8,011.47	163,038.28	386.90	7,271.35	7,658.25	170,706.51
TOTAL NPS		74,682,334.90	222,437.57	74,904,772.47	4,250,310.87	4,147,897.50	8,398,228.17	83,302,980.64

Prepared by: Land Resources Division, Washington, D.C.
 (202) 343-3862

NATIONAL PARK SERVICE
LISTING OF ACRES
AS OF: 12/31/94

AREA AND STATE	FEE ACRES	LESS THAN 1 ACRE	SUB-TOTAL ACRES	OTHER PUBLIC ACRES	PRIVATE ACRES	SUB-TOTAL ACRES	GROSS AREA ACRES
A. LINCOLN BIRTHPLACE NHS, K	116.50		116.50				116.50
ACADIA NP, ME	34,978.43	5,721.05	40,699.48	102.24	0.00	40,801.72	41,118.99
ADAMS NHS, MA	270.33	467.19	737.52	3.92	1,017.27	1,754.71	13.74
ADAMS POINT STEVE AK	2,560.33		2,560.33	24.43	283.27	317.70	3,055.22
ADAMS POINT STEVE AK	2,560.33		2,560.33	24.43	283.27	317.70	3,055.22
ALLEGANY FLINT QUARIES NM	1,078.23		1,078.23	90.00	4,304.25	5,472.48	30,745.25
ALLEGANY PORTAGE RR NHS, PA	1,078.23		1,078.23	90.00	4,304.25	5,472.48	30,745.25
ALLEGANY PORTAGE RR NHS, PA	1,078.23		1,078.23	90.00	4,304.25	5,472.48	30,745.25
AMISTAD NRA, TX	57,292.44		57,292.44	1.25	236.78	58,530.47	1,246.97
ANDERSONVILLE NHS, GA	434.16	1.00	435.16	7.89	1,207.56	1,642.71	58,500.00
ANDREW JOHNSON NHS, TN	434.16		434.16		5.84	439.00	16.68
ANDREW JOHNSON NHS, TN	434.16		434.16		5.84	439.00	16.68
ANTIKACHAK NP, AK	13,101.35		13,101.35	5,147.00	25,523.00	43,771.35	465,693.00
ANTISTEAM NP, MO	42,160.65	1,376.95	43,537.60	22.60	840.00	44,380.20	137,176.00
APACHE ISLANDS NL, WI	104,009.79		104,009.79	27.11	0.00	104,036.90	69,371.89
APPALACHIAN NS TRAIL, ME TO	1,308.22	7,522.32	8,830.54	51,570.00	10,137.24	61,707.24	173,236.65
APPOKATON COURT HOUSE NHP, MA	1,308.22	7,522.32	8,830.54	51,570.00	10,137.24	61,707.24	173,236.65
ARCHES NP, UT	66,348.51		66,348.51	7,035.47	2,269.18	73,653.16	1,594.08
ARIZONA FOREVER, AZ	329.18		329.18		0.00	329.18	73,378.96
ARIZONA FOREVER, AZ	329.18		329.18		0.00	329.18	73,378.96
ASSATEAGUE ISLAND NS, MD-VA	17,752.06	17.32	17,769.38	21,958.20	99.58	39,827.16	39,727.91
ATTEC RUINS NM, NM	38.62		38.62	39.24	293.40	332.26	242,755.94
BADLANDS NP, SD	110,498.24	122,324.00	232,822.24	39.24	9,894.48	9,933.70	32,737.20
BANDELLER NM, NM	32,732.20		32,732.20		55.80	32,788.00	2,784,789.80
BENT'S OLD FORT NHS, CO	2,890.73		2,890.73	87,554.00	27,227.00	114,671.73	1,000.00
BENT'S OLD FORT NHS, CO	2,890.73		2,890.73	87,554.00	27,227.00	114,671.73	1,000.00
BEAUFORT BRIDGE N. PRESER	516.01		516.01	56,090.61	110,287.18	166,887.79	710,355.61
BIG CYPRESS N. PRESERVE, FL	516.01		516.01	56,090.61	110,287.18	166,887.79	710,355.61
BIG HOLE NM, MT	104,178.81		104,178.81	3,220.23	17,800.96	20,821.19	125,000.00
BIG SOUTH FORK N. RVR & RA,	85,860.24	13.34	85,873.58	24.67	10,778.49	10,803.16	98,577.74
BIGHORN CANYON NRA, MT-WY	87,596.70	888.88	88,485.58	1,392.28	50,419.34	51,811.62	20,296.22
BIG BEND NP, TX	199,320.81	2,004.00	201,324.81	2,825.30	197.86	201,522.67	178,924.07
BLACK MOUNTAIN OF THE GUNNISON	78,500.74	2,023.54	80,524.28	351.00	7,059.79	7,410.79	8,934.07
BLUE RIDGE PKWY, NC-VA	3,032.00		3,032.00	1,236.00	0.00	4,268.00	4,268.00
BLUESTONE NSR, WV	223.92		223.92		0.00	223.92	0.00
BOOKER T. WASHINGTON NM, VA	35.17		35.17	5.09	77.17	117.33	41.03
BOSTON NHS, MA	1.00		1.00		0.00	1.00	0.00
BOSTON NHS, MA	1.00		1.00		0.00	1.00	0.00
BROOKS CHESAPEAKE NBS	35,832.53		35,832.53		2.50	35,835.03	35,835.03
BUCK CANYON NP, UT	880.00		880.00		2.50	882.50	94,309.49
BUCK ISLAND REEF NM, VI	88,628.79	3,200.31	91,829.10	2,367.91	114.48	2,482.39	18,236.60
BUFFALO N. RIVER AR	12,716.83	1,352.92	14,069.75	2,527.48	2,640.20	5,167.68	57,137.06
CAO CANAL NHP, MD-DC-WV	137.06		137.06		14.00	151.06	57,137.06
CABRILLO NM, CA	57,647.13		57,647.13		194.20	57,841.33	83,840.00
CANE RUN RIVER, NC	13.00		13.00		0.00	13.00	0.00
CANON DE CHELLY NM, AZ	0.00		0.00		83,840.00	83,840.00	83,840.00

NATIONAL PARK SERVICE
LISTING OF ACRES
AS OF: 12/31/94

AREA AND STATE		LESS THAN FEE ACRES	SUB-TOTAL ACRES	OTHER PUBLIC ACRES	PRIVATE ACRES	SUB-TOTAL ACRES	GROSS AREA ACRES
CANYONLANDS NP, UT	RM	337,289.40	337,289.43	00	00	337,289.43	337,570.43
CAPE COD NS, MA	SE	301.03	301.03	00	00	301.03	301.03
CAPE HATTERAS NS, NC	SE	348.24	348.24	00	00	348.24	348.24
CAPE KRISTENSTERN NM, AK	SE	444,813.00	444,813.00	00	00	444,813.00	444,813.00
CAPE LOOKOUT NS, NC	SE	11,243.40	11,243.40	00	00	11,243.40	11,243.40
CAPULIN REEF NP, UT	SE	222,753.35	222,753.35	00	00	222,753.35	222,753.35
CASAPULIN VOLCANO NP, NM	SE	782.84	782.84	00	00	782.84	782.84
CARLSBAD CAVES NP, NM	SE	48,293.52	48,293.52	00	00	48,293.52	48,293.52
CARLSBAD CAVES NP, NM	SE	48,293.52	48,293.52	00	00	48,293.52	48,293.52
CASA GRANDE NM, AZ	SE	270.18	270.18	00	00	270.18	270.18
CASTILLO DE SAN MARCOS NM, F	SE	1,000	1,000	00	00	1,000	1,000
CATOSTIN CLINTON NM, NY	SE	5,770.22	5,770.22	00	00	5,770.22	5,770.22
CEDAR BREAKS NM, UT	SE	8,154.60	8,154.60	00	00	8,154.60	8,154.60
CHACO CULTURE NP, NM	SE	31,084.74	31,084.74	00	00	31,084.74	31,084.74
CHANNES ISLANDS NP, CA	SE	64,524.42	64,524.42	00	00	64,524.42	64,524.42
CHARLES PINCKNEY NHS, SC	SE	8,089.43	8,089.43	00	00	8,089.43	8,089.43
CHATTANOOGUE RVR NHA, GA	SE	12.83	12.83	00	00	12.83	12.83
CHICKASAW NM, OK	SE	9,875.13	9,875.13	00	00	9,875.13	9,875.13
CHICKASAW NM, OK	SE	11,992.38	11,992.38	00	00	11,992.38	11,992.38
CHICAHUA NM, AZ	SE	226.24	226.24	00	00	226.24	226.24
CHRISTIANSTED NHS, VI	SE	8,572.80	8,572.80	00	00	8,572.80	8,572.80
CLARA BARTON NHS, MD	SE	8,698.73	8,698.73	00	00	8,698.73	8,698.73
COLONIAL NHP NM, CO	SE	20,324.87	20,324.87	00	00	20,324.87	20,324.87
COLORADO NM, SC	SE	52.00	52.00	00	00	52.00	52.00
CONGAREE SWAMP NM, SC	SE	4,665.72	4,665.72	00	00	4,665.72	4,665.72
CONSTITUTION GARDENS, DC	SE	100,390.31	100,390.31	00	00	100,390.31	100,390.31
CORONADO NM, WA I/	SE	182,788.71	182,788.71	00	00	182,788.71	182,788.71
COURTESY DAM NHA, WA I/	SE	152,525.05	152,525.05	00	00	152,525.05	152,525.05
CRATERS LAKE NP, OR	SE	20,256.84	20,256.84	00	00	20,256.84	20,256.84
CRATERS OF THE MOON NM, ID	SE	185.46	185.46	00	00	185.46	185.46
CUMBERLAND GAP NHP, KY-TN-VA	SE	41,971.04	41,971.04	00	00	41,971.04	41,971.04
CUMBERLAND ISLAND NS, GA	SE	1,303.91	1,303.91	00	00	1,303.91	1,303.91
CURECANTI NM, CO I/	SE	84.41	84.41	00	00	84.41	84.41
CUYAHOGA VALLEY NHA, OH	SE	17,099.91	17,099.91	00	00	17,099.91	17,099.91
DAYTON AVIATION HERITAGE NHP	SE	2,048,928.88	2,048,928.88	00	00	2,048,928.88	2,048,928.88
DEATH VALLEY NP, CA-NV	SE	55,165.24	55,165.24	00	00	55,165.24	55,165.24
DELAWARE NSR, NJ-PA	SE	1,304,132.00	1,304,132.00	00	00	1,304,132.00	1,304,132.00
DELAWARE WATER GAP NHA, NJ-P	SE	4,724,505.38	4,724,505.38	00	00	4,724,505.38	4,724,505.38
DENALI NP, AK	SE	1,798.46	1,798.46	00	00	1,798.46	1,798.46
DENALI NP, AK	SE	1,346.91	1,346.91	00	00	1,346.91	1,346.91
DEVILS POSTPILE NM, CA	SE	3,099.95	3,099.95	00	00	3,099.95	3,099.95
DEVILS POWER NM, NY	SE	204,355.54	204,355.54	00	00	204,355.54	204,355.54
DINOSAUR NM, CO-UT	SE	204,355.54	204,355.54	00	00	204,355.54	204,355.54

NATIONAL PARK SERVICE
LISTING OF ACREAGES
AS OF: 12/31/84

PAGE 3

AREA AND STATE	FEE ACRES	LESS THAN FEE ACRES	SUB-TOTAL ACRES	OTHER PUBLIC ACRES	PRIVATE ACRES	SUB-TOTAL ACRES	GROSS AREA ACRES
DRY TORTUGAS NP, FL	81,480.00	.00	81,480.00	3,220.00	.00	3,220.00	64,700.00
EGGAR S. LANDINGS, N. RESERVE	28.98	1,950.11	1,379.09	98.00	17,552.91	17,620.91	19,000.00
EDISON NHS, PA	21.72	.00	21.72	.00	.00	.00	21.72
EFFIGY MOUNDS NHS, IA	1,481.39	3.09	1,481.39	.00	.00	.00	1,481.39
EISENHOWER NHS, PA	687.37	.00	687.37	.00	.00	.00	687.37
EL MALPAIS NP, NM	107,408.69	.00	107,408.69	402.37	6,465.89	6,868.26	114,276.95
EL MORRO NP, NM	1,038.92	.00	1,038.92	.00	238.80	238.80	1,278.72
ELSENOR ROOSEVELT NHS, NY	180.50	.00	180.50	.00	.00	.00	180.50
EVERGLADES NP, FL	1,451,472.59	.00	1,451,472.59	1,993.92	54,383.90	56,377.82	1,507,850.41
FEDERAL HALL N. MEM., NY	3,083.33	3,151.51	6,234.84	12,425.13	918.58	13,343.71	19,578.55
FIRE ISLAND NHS, NY	5,992.32	.00	5,992.32	5.77	.00	5.77	5,998.09
FLORISSANT FOSSIL BEDS NM, C	999.43	.00	999.43	.00	.00	.00	999.43
FORD S. THEATRE NHS, DC	125.11	.00	125.11	.00	.00	.00	125.11
FORT BOWEN NHS, AL	460.00	.00	460.00	.00	.00	.00	460.00
FORT CLATSOP N. MEM., OR	539.89	.00	539.89	.00	.00	.00	539.89
FORT DAVIS NHS, TX	220.48	.00	220.48	.00	11.80	11.80	232.28
FORT DONELSON NB, TN	831.11	18.71	831.11	.00	1.33	1.33	832.44
FORT FREDERICA NM, GA	289.20	.00	289.20	38.73	.00	38.73	327.93
FORT LARAMIE NHS, WY	243.28	.00	243.28	.00	.00	.00	243.28
FORT LARNED NHS, KS	894.47	.00	894.47	8.33	.00	8.33	902.80
FORT MCJENNEY NM, H. SHRINE, NE	29.00	.00	29.00	.00	.00	.00	29.00
FORT NECESSITY NB, PA	5,365.13	.00	5,365.13	257.97	.00	257.97	5,623.10
FORT POINT NHS, CA	355.45	.00	355.45	18.09	139.39	157.48	512.93
FORT PULASKI NM, GA	16.89	.00	16.89	.00	.00	.00	16.89
FORT RALEIGH NHS, NC	15.52	.00	15.52	.00	36.00	36.00	51.52
FORT SCOTT NHS, KS	134.37	.00	134.37	.00	.00	.00	134.37
FORT STANLEY NM, NY	720.60	.00	720.60	.00	.00	.00	720.60
FORT SUMTER NM, SC	201.73	31.25	201.73	.00	23.00	23.00	224.73
FORT UNION NM, NM	341.00	121.19	341.00	.00	.00	.00	341.00
FORT VANCOURT NHS, WA	8,362.49	.00	8,362.49	5.40	44.89	50.29	8,417.58
FORT WASHINGTON PARK, MO	8.08	.00	8.08	7.18	.00	7.18	15.26
FREDERICK LAW OLDMIST NHS, DC	1,750.00	.00	1,750.00	.00	.00	.00	1,750.00
FREDERICK LAW OLDMIST NHS, M	881.44	.00	881.44	.00	1,508.57	1,508.57	2,389.91
FRIENDSHIP HILL NHS, PA	581.23	.00	581.23	.00	.00	.00	581.23
G. W. BIRTHPLACE NHS, VA	38.23	.00	38.23	.00	.00	.00	38.23
G. W. BIRTHPLACE NHS, VA	945.95	89.33	945.95	.00	13.12	13.12	959.07
GATES MEMORIAL PARKWAY, MO-V	945.95	.00	945.95	.00	128.94	128.94	1,074.89
GATES MEMORIAL PARKWAY, MO-V	945.95	.00	945.95	.00	128.94	128.94	1,074.89
GATES OF THE ARCTIC NP, AK	7,074.81	1.63	7,074.81	1,235.00	47,821.50	48,056.50	55,162.30
GATEWAY NRA, NJ-NY	20,404.31	.00	20,404.31	5,570.80	8,172.79	13,743.59	34,147.90
GAULEY RIVER NRA, WV	1,966.91	.00	1,966.91	1,033.19	8,161.14	9,194.33	11,161.24

NATIONAL PARK SERVICE
LISTING OF ACRES

PAGE

4

113

AS OF: 12/31/94

AREA AND STATE	FEE ACRES	LESS THAN FEE ACRES	SUB-TOTAL ACRES	OTHER PUBLIC ACRES	PRIVATE ACRES	SUB-TOTAL ACRES	GROSS AREA ACRES
GENERAL GRANT N. MEM. NY	76	.00	76	.00	.00	.00	76
GEORGE ROGERS CLARK NHP IN	26.17	.00	26.17	.00	.00	.00	26.17
GEORGE WASHINGTON CARVER NM, MA	210.00	.00	210.00	.00	.00	.00	210.00
GETTYSBURG NHP, PA	77.08	.00	77.08	58.90	1,866.85	1,925.55	5,898.86
GILA CLIFF DWELLINGS NM, NM	3,537.13	.00	3,537.13	.00	.00	.00	533.13
GLACIER BAY N. PRESERVE, AK	55,439.00	.00	55,439.00	2,445.00	.00	2,445.00	57,884.00
GLACIER HP, NP, AK	3,224.938.00	.00	3,224.938.00	.00	348.00	348.00	3,225.284.00
GLEN CANYON NRA, AZ-UT	1,013,083.12	70.28	1,013,153.40	2.51	418.91	421.42	1,013,574.42
GOLDEN GATE NHP, CA	1,193,671.00	.00	1,193,671.00	.00	.00	.00	1,193,671.00
GOLDEN SPIKE NHP, UT	19.07	.00	19.07	41,379.61	3,089.88	44,468.59	44,487.66
GRAND CANYON NHP, AZ	2,203.23	.00	2,203.23	.00	532.08	532.08	2,735.28
GRAND PORTAGE NM, MN	1,180,617.78	.00	1,180,700.97	11,880.00	24,680.54	36,540.54	1,217,116.32
GRANT-KELTON NP, WY	306,505.37	.00	306,505.37	.00	.00	.00	306,505.37
GREAT BASIN NP, NV	1,205.83	165.63	1,371.46	1,379.66	984.35	2,374.01	309,993.72
GREAT EGG HARBOR RIVER, NJ	77,180.00	.00	77,180.00	69.47	57.32	126.80	77,180.00
GREAT SANDY MOUNTAINS NP, TN	36,426.10	.00	36,426.10	.00	.00	.00	36,426.10
GREENBELT PARK, MD	520,408.94	.00	520,408.94	.00	.00	.00	520,408.94
GUADALUPE MOUNTAINS NP, TX	1,175.42	.00	1,175.42	.00	2,236.02	2,236.02	38,662.18
GULF ISLANDS NHP, NC	76,807.27	.00	76,807.27	.00	644.47	644.47	5,105,471.1
GULF ISLANDS NHP, NC	99,220.25	.00	99,220.25	.00	9,608.57	9,608.57	1,175.99
HAGERMAN FOSSIL BEDS NM, ID	99,263.54	.38	99,263.92	35,641.90	718.69	36,360.59	86,415.97
HALEAKALA NP, HI	26,911.11	.00	26,911.11	492.87	.00	492.87	135,250.25
HAMILTON GRANGE N. MEM., NY	59.44	.00	59.44	164.32	1,023.57	1,187.89	28,099.00
HAMPTON NHP, MD	2,108.01	52.79	2,160.80	.00	.00	.00	2,160.80
HARPERS FERRY NHP, MO-VA-WV	6.87	.00	6.87	64.50	2.60	2.60	62.04
HAWAII VOLCANO NHP, HI 3/	207,643.38	.00	207,643.38	.00	64.00	64.00	2,287.48
HERBERT HOOPER NHP, LA	181.11	.00	181.11	4.59	2,052.00	2,052.00	209,697.86
HOKOKAM PIMA NM, AZ	200.34	.00	200.34	.00	1,690.00	1,690.00	1,881.86
HOMER OF F. D. ROOSEVELT NHP, MA	185.13	.00	185.13	.00	.00	.00	1,890.00
HOMESTEAD NM OF AMERICA, NE	404.67	24.07	428.74	5.301	.00	.00	1,290.34
HOPWELL CULTURE NHP, OH	848.06	8.05	856.11	412.72	717.01	717.01	1,130.33
HORSESHOE BEND NHP, PA	2,040.00	.00	2,040.00	.00	.00	.00	2,488.06
HOT SPRINGS NHP, AL	4,788.35	.00	4,788.35	.00	.00	.00	5,349.00
HOVENWEEP NM CO-UT	180.00	.00	180.00	336.18	344.95	681.11	5,784.93
HUBBELL TRADING POST NHP, AZ	20.66	.00	20.66	.00	.00	.00	160.93
INDIAN DUNES NP, IN	9,725.81	21.21	9,747.02	.00	.00	.00	160.93
ISLE ROYALE NP, MI	539,281.87	488.06	539,769.93	3,304.32	2.66	3,306.98	44.85
JAMES OCKENFELDT NHP, OH	23,777.22	.00	23,777.22	32,508.24	1,539.61	32,508.24	15,057.86
JEAN LAFITTE NHP & PRESERVE, LA	10,135.48	.00	10,135.48	.00	.00	.00	571,790.11
JEFFERSON N. EXP. MEMORIAL, NM	1,273.51	5.00	1,278.51	1,933.08	7,950.83	9,883.91	23,777.22
JEWEL CAVE NM, SD	1,273.51	.00	1,273.51	.00	.00	.00	20,020.00
							90.96
							1,273.51

NATIONAL PARK SERVICE
LISTING OF ACRAEGES
AS OF: 12/31/94

AREA AND STATE	LESS THAN FEE ACRES	SUB-TOTAL ACRES	OTHER PUBLIC ACRES	PRIVATE ACRES	SUB-TOTAL ACRES	GROSS AREA ACRES
JIMMY CARTER NHS, GA	15.99	15.99	1.92	52.63	54.55	70.54
JOHN DAY FOSSIL BEDS NM, OR	379.44	11,022.19	174.88	2,817.23	2,891.00	14,014.00
JOHN F. KENNEDY NHS, MA	324.72	334.72	6.93	3.08	10.01	344.73
JOHN MUIR NHS, CA	154.13	155.37	5.55	3.20	8.75	164.12
JOHN STONE FLOOD N. MEM., PA	548.59	548.59	241,371.87	2,841.84	244,213.51	792,749.87
KALAUAPA NHS, HI	615.00	615.00	10,584.00	72.00	10,756.00	10,778.88
KALOKO-HONOKOHAI NHS, HI	615.00	615.00	10,584.00	72.00	10,756.00	10,778.88
KATAMAI N. PRESERVE, AK	382.074	382.074	466.00	36.157	36.825	414.600
KATAMAI NP, AK	3,811.288	3,811.288	50,179.50	13,075.37	63,254.87	3,624,540.00
KENAI FJORDS NP, AK	529.273	529.273	19,302.00	122,067.79	131,369.79	670,642.78
KENNESAW MOUNTAIN NBP, GA	2,879.60	2,879.60	4.54	1,870.00	1,874.54	2,884.14
KINGS CANYON NP, CA	461.845	461.845	0.00	1,870.00	1,870.00	1,870.00
KINGS MOUNTAIN NBP, SC	3,945.26	3,945.26	0.00	58.08	58.08	461,801.20
KLONDIKE GOLD RUSH NHS, AK-W	2,418.93	2,418.93	10,199.84	572.78	10,772.40	13,965.29
KNIFE RIVER INDIAN VIL. NHS, RM	1,457.24	1,555.65	0.00	164.70	164.70	1,755.35
KOBUK VALLEY NP, AK	1,669.643	1,669.643	0.00	81,073.86	81,093.86	1,750,736.86
LAKE CHelan NP, WA	59,304.02	59,307.22	2,120.48	459.28	2,578.76	61,886.98
LAKE CLARK NP, PRESERVE, AK	1,295.74	1,297,503.18	45,155.00	64,834.84	109,789.84	1,407,289.00
LAKE CLARK NP, PRESERVE, AK	1,295.74	1,297,503.18	45,155.00	64,834.84	109,789.84	1,407,289.00
LAKE MEAD NRA, AZ-NV 4/	44.977	1,363.627	50,335.00	12,559.38	93,114.98	2,686,839.00
LAKE MEREDITH NRA, TX	44.977	44.977	2,488.00	28,531.00	28,713.00	1,481,997.22
LASSEN VOLCANIC NP, CA	106,366.70	106,366.70	0.00	5.66	5.66	106,372.36
LAVA BEDS NM, CA	46,559.87	46,559.87	0.00	0.00	0.00	46,559.87
LEJAY MEM. GROVE ON THE POTOMAC	17.00	17.00	0.00	17.00	17.00	17.00
LEWIS & CLARK NM, MEM., IN	19.00	180.81	10.84	7.90	18.84	199.65
LINCOLN HOMES NHS, IL	106.33	106.33	0.00	2.1	2.1	12.24
LINCOLN MEMORIAL, DC	785.34	785.34	0.00	0.00	0.00	785.34
LITTLE BIGHORN BATTLEFIELD NM	0.00	0.00	0.00	0.00	0.00	0.00
LITTLE RIVER CANYON N. PRESE	0.00	0.00	0.00	0.00	0.00	0.00
LONGFELLOW NHS, MA	1.98	1.98	5,169.00	8,500.00	13,669.00	13,669.00
LOWELL SNHP, MA	1.98	1.98	0.00	0.00	0.00	1.98
LOWELL SNHP, MA	1.98	1.98	0.00	0.00	0.00	1.98
LYNDON B. JOHNSON NHS, TX	4,598.10	8,183.70	4,721.41	12,374.32	17,095.73	25,278.93
LYNDON B. JOHNSON NHS, TX	4,598.10	548.00	1.1	1,021.34	1,021.45	1,570.15
M. MCLEOD BETHUNE CHCL HOUSE	0.00	0.00	0.00	0.00	0.00	0.00
MAGGIE L. WALKER NHS, VA	36.00	36.00	0.00	93	93	93
MANHATTAN CAVE NP, KY	52,003.24	52,003.24	814.75	12.20	826.95	52,830.19
MANASSAS NHS, VA	4,334.88	4,356.18	0.00	715.43	715.43	5,071.62
MANANAR NHS, CA	0.00	0.00	500.00	0.00	500.00	500.00
MARTIN BUTLER KING, VT	4.00	5.00	0.00	643.10	643.10	643.10
MARTIN VAN BUREN NHS, NY	20.26	38.50	10.24	31.42	31.42	38.95
MESA VERDE NP, CO	51,890.65	51,890.65	40.41	190.87	231.28	52,122.93
MINUTE MAN NHS, MA	738.33	738.33	75.75	117.02	192.77	934.64
MISSISSIPPI N. RVR & REC AREA	62.42	62.42	0.00	53,712.58	53,712.58	53,775.00
MISSOURI N. REC. RIVER SO-N	0.00	0.00	0.00	0.00	0.00	0.00
MOJAVE DESERT N. PRESERVE, CA	0.00	0.00	1,450,000.00	0.00	1,450,000.00	1,450,000.00

NATIONAL PARK SERVICE
LISTING OF ACREAGES
AS OF: 12/31/94

AREA AND STATE	FEE ACRES	LESS THAN ACRES	SUB-TOTAL ACRES	OTHER PUBLIC ACRES	PRIVATE ACRES	SUB-TOTAL	GROSS AREA
MONOCACY NB, MD	832.64	181.81	1,014.45	52.32	534.24	586.56	1,601.01
MONTEZUMA CASTLE NM, AZ	840.86	.00	840.86	.00	16.83	16.83	857.69
MOORE'S CREEK NB, NC	84.12	2.40	86.52	.00	.00	.00	88.92
MOUNT AIRY NP, NC	1,881.96	.95	1,882.91	.00	.78	.78	1,883.61
MOUNT RUSHMORE N. MEM., SD	231,238.45	.00	231,238.45	.00	.00	.00	231,238.45
Muir Woods NM, CA	1,552.98	.00	1,552.98	40.00	.00	40.00	1,592.98
NAT'L PARK OF AMERICAN SAMOA	.00	.00	.00	30.57	.00	30.57	30.57
NATCHEZ NHP, MS	81.64	.00	81.64	4,500.00	4,500.00	9,000.00	9,081.64
NATCHEZ TRACE NM, TRAIL, MS-T	.00	.00	.00	5.42	21.20	26.62	26.62
NATCHEZ TRACE PARKWAY, TN TO SE	45,749.65	5,899.50	51,649.15	.00	10,995.00	10,995.00	62,644.15
NATIONAL WILDLIFE REFUGES, DC-H	6,186.35	13.00	6,199.35	41.82	56.62	98.44	6,297.79
NATIONAL WALL, DC	1,166.35	.00	1,166.35	60.00	4.14	64.14	1,230.49
NATURAL BRIDGES NM, UT	7,620.49	16.00	7,636.49	.00	.00	.00	7,636.49
NAVAJO NM, AZ	3,360.00	.00	3,360.00	.00	.00	.00	3,360.00
NEW ORLEANS JAZZ NHP, LA	38,870.26	.00	38,870.26	.00	.00	.00	38,870.26
NEW RIVER GORGE N. RIVER, WV	1,388.69	233.62	1,622.31	5,391.86	17,647.95	23,039.81	24,662.17
NECE PERCE NHP, ID	445.02	445.02	890.04	261.20	14.70	275.90	1,165.94
NECE PERCE NHP, ID	889.14	.00	889.14	.00	.00	.00	889.14
NIAGARA SCENIC RIVER, NE	.00	.00	.00	.00	.00	.00	.00
NOBARK N. PRESERVE, AK	.00	.00	.00	.00	.00	.00	.00
NORTH CASCADES NP, WA	504,554.79	.00	504,554.79	1,197.00	292,772.04	293,969.04	798,523.83
OBED WILD & SCENIC RIVER, TN	2,042.98	1,066.00	3,108.98	326.40	1,820.77	1,947.17	5,056.15
OCULGEE NM, GA	913,701.54	.00	913,701.54	8,789.83	.00	8,789.83	922,491.37
OLYMPIC NP, WA	2,213.85	66.66	2,280.51	.00	580.67	580.67	2,861.18
ORCAON PPE, ACTUUS NM, AZ	329,384.10	2.21	329,386.31	1,280.00	92.55	1,372.55	330,758.86
OZARK NS RIVERWAYS, MO	52,084.73	9,273.69	61,358.42	14,062.59	5,356.03	19,418.62	80,777.04
PADRE ISLAND NS, TX	130,355.46	.00	130,355.46	78.81	.00	78.81	130,434.27
PALO ALTO BATTLEFIELD NHS, T	.00	.00	.00	.00	3,357.42	3,357.42	3,357.42
PEA RIDGE NHP, AR	4,278.75	.00	4,278.75	21.60	.00	21.60	4,300.35
PECOS NHP, NM	6,157.03	.00	6,157.03	21.51	492.13	513.64	6,670.67
PENNSYLVANIA AVENUE NHS, DC	24.95	.02	24.97	.00	.00	.00	25.00
PETESBURG NB, VA	1,537.89	.00	1,537.89	.00	1,205.99	1,205.99	2,743.88
PETRIFIED FOREST NP, AZ	93,532.57	12.00	93,544.57	.00	.00	.00	93,544.57
PETROGLYPH NM, NM	1,416.88	.00	1,416.88	3,564.76	2,258.69	5,823.45	7,240.33
PICTURED ROCKS NL, MI	35,704.56	21.30	35,725.86	13,939.75	23,562.76	37,502.51	73,228.37
PINNACLES NM, CA	16,254.31	31.00	16,285.31	.00	10.82	10.82	16,296.13
PINE PLANTING NM, AZ	81.78	.00	81.78	.00	.00	.00	81.78
PISCATAWAY NHP, NM	21.78	.00	21.78	.00	.00	.00	21.78
POINT REYES NM, CA	1,485.06	2,751.40	4,236.46	9.90	214.16	224.06	4,460.52
POTOMAC HERITAGE NS TRAIL, P	64,461.75	43.14	64,504.89	2,696.86	3,847.03	6,543.89	71,048.78
POVERTY POINT NM, LA	.00	.00	.00	.00	.00	.00	.00
PRINCE WILLIAM FOREST PARK, NC	17,402.98	8.26	17,411.24	415.14	495.71	910.85	18,321.09
PU'UHONUA O HONAU NHP, HI	130.78	1.02	131.80	.00	1,161.21	1,161.21	1,293.00
PUUKOOLA HEIAU NHS, HI	34.38	.00	34.38	25.29	20.80	46.09	80.47

NATIONAL PARK SERVICE
LISTING OF ACRES
AS OF: 12/31/94

AREA AND STATE	FEE ACRES	LESS THAN FEE ACRES	SUB-TOTAL ACRES	OTHER PUBLIC ACRES	PRIVATE ACRES	SUB-TOTAL ACRES	GROSS AREA ACRES
RAINBOW BRIDGE NM, UT	160.00	00	160.00	00	00	00	160.00
REDMOOD NP, CA	75,413.78	28.06	75,441.84	34,688.02	122.54	34,790.56	110,232.40
RIO GRANDE WILD & SCENIC RIV	770.00	72.00	770.00	2,150.00	7,450.00	9,600.00	9,771.51
ROCK CREEK PARK, CO	1,754.37	00	1,754.37	00	00	00	9,700.00
ROCKY MOUNTAIN NP, CO	264,091.40	1,224.76	265,316.16	121.57	289.42	410.99	265,727.15
ROGER WILLIAMS N. MEM., RI	4.56	00	4.56	00	00	00	4.56
ROSS LAKE NRA, WA	115,857.39	00	115,857.39	1,609.37	107.83	1,717.20	117,574.59
RUSSELL CAVE NM, AL	310.45	00	310.45	00	00	00	310.45
SEASIDE STATE PARK, NY	83,183.02	00	83,183.02	1,737.00	6,270.00	8,007.00	91,183.02
SAGUARO NP, AZ	83,183.02	00	83,183.02	1,737.00	6,270.00	8,007.00	91,183.02
SAINT CROIX ISLAND INTL, HS	20,985.83	9,872.34	30,858.17	30,726.55	5,871.45	36,598.10	67,458.37
SAINT PAUL'S CHURCH NHS, NY	6.13	00	6.13	00	00	00	6.13
SAINT GAUDENS NHS, NH	141.20	00	141.20	00	6.93	6.93	148.13
SALEM MARITIME NHS, MA	8.93	00	8.93	00	09	09	9.02
SALT PETER BAY NHS, NM	959.00	5.26	964.26	588.00	100.51	106.19	1,071.42
SALT RIVER BAY NHS, CO	196.67	61.66	258.33	301.77	259.03	560.80	819.13
SAN ANTONIO MISSIONS NHP, TX	131.18	00	131.18	00	00	00	131.18
SAN FRANCISCO MARITIME NHP, CA	1,725.45	00	1,725.45	26.54	00	26.54	1,751.99
SAN JUAN ISLAND NHP, WA	53.20	61.06	114.26	21.93	00	21.93	136.19
SAN JUAN NHS, PR	18,187.73	00	18,187.73	38,878.97	92,923.14	131,801.21	150,050.00
SANTA MONICA MOUNTAINS NRA, CA	2,886.51	00	2,886.51	91.76	414.66	506.42	3,392.82
SANCTUARY NHP, NM	51.00	00	51.00	00	00	00	51.00
SCAGLUS TROOP WORKS NHS, MA	2,935.95	00	2,935.95	5.95	61.13	67.08	3,003.11
SCOTT'S BLUFF NP, NE	402,298.50	21	402,298.71	4.46	179.21	183.67	402,482.38
SECOUIA NP, CA	195,464.81	793.41	196,258.22	184.52	23.35	207.87	196,466.19
SHENANDOAH NP, VA	3,917.87	49.53	4,000.00	51.00	4.00	55.00	3,972.87
SILKA NHP, AK	56.64	00	56.64	12,066.52	2,052.45	14,119.39	71,189.40
SITKA NHP, AK	56.64	00	56.64	34.00	00	34.00	90.64
SPRINGFELLS ARMORY NHS, MA	58.38	00	58.38	00	00	00	58.38
STATUE OF LIBERTY NM, NY-NJ	58.38	00	58.38	00	00	00	58.38
STEATOWN NHS, PA	448.00	00	448.00	52.85	9.63	62.48	510.48
STONES RIVER NB, TN	3,040.00	00	3,040.00	1.43	258.89	260.32	3,301.32
SUNSET CRATER VOLCANO NM, AZ	11.00	00	11.00	00	00	00	11.00
T ROOSEVELT BIRTHPLACE NHS, NA	88.50	00	88.50	00	00	00	88.50
T ROOSEVELT ISLAND, OC	69,701.71	00	69,701.71	54.44	690.44	744.88	70,446.59
T ROOSEVELT NP, ND	18.36	00	18.36	00	00	00	18.36
THADDEUS KOSCIUSKO N. MEM, NM	321.97	00	321.97	00	6.28	6.28	328.25
THOMAS JEFFERSON NHS, DC	4,250.00	00	4,250.00	00	00	00	4,250.00
THOMAS STONE NHS, MD	1,120.00	00	1,120.00	00	24,536.00	40,587.00	46,703.00
TIMPANOGOS CAVE NM, UT	1,120.00	00	1,120.00	00	30.14	30.14	1,150.14
TONTUEN ECGL. & H. PRESER	1,120.00	00	1,120.00	00	30.14	30.14	1,150.14
TUMACACORI NHP, AZ	1.00	00	1.00	00	00	00	1.00
TUPELO NB, MS	1.00	00	1.00	00	00	00	1.00

NATIONAL PARK SERVICE
LISTING OF ACREAGES

AS OF: 12/31/94

AREA AND STATE	FEE ACRES	LESS THAN FEE ACRES	SUB-TOTAL ACRES	OTHER PUBLIC ACRES	PRIVATE ACRES	SUB-TOTAL ACRES	GROSS AREA ACRES
TUSKEGEE INSTITUTE NHS, AL	7.30	1.02	8.32	.00	49.30	49.30	57.62
TUZIGOOT NM, AZ	42.87	15.11	57.98	.00	742.34	742.34	800.32
U.S.S. ARIZONA MEMORIAL, HI	.00	.00	.00	.00	.00	.00	9.60
ULYSSES S. GRANT NHS, MO	9.60	.00	9.60	.00	.00	.00	75,000.00
UPPER DEL. SCENIC & REC. RVR, MA	14.45	.00	14.45	1,252.04	73,733.31	74,985.55	3,466.47
VANDERBILT MEMORIAL NHS, PA	2,925.00	35.21	2,960.21	172.34	333.32	508.26	2,11.85
VANDERBILT MEMORIAL NHS, NY	1,722.93	3.06	1,725.99	4.00	2.00	6.84	1,736.47
VICKSBURG NHP, MS	1,722.00	3.00	1,725.00	.00	.00	.00	14,682.87
VIETNAM VETERANS MEMORIAL, D	12,906.57	3.00	12,909.57	134.07	1,645.23	1,779.30	218,035.33
VIRGIN ISLANDS NP, VI	132,126.97	.00	132,126.97	83,623.52	1,984.34	85,908.36	2,249.46
VOYAGEURS NP, MN	2,011.82	.00	2,011.82	.00	237.84	237.84	1,960.07
WALNUT CANYON NM, AZ	915.89	.00	915.89	873.47	170.91	1,044.38	106.01
WASHINGTON PACIFIC NHP, GUAM	156.61	.00	156.61	.00	.00	.00	42,501.80
WASHINGTON MONUMENT, DC	18.07	.00	18.07	.00	15.00	15.00	143,732.92
WEIR FARM NHS, CT	42,456.30	.00	42,456.30	26.93	.00	.00	168.15
WHISKYTOWN S.T. NRA, CA 5/	143,732.92	.00	143,732.92	.00	.00	.00	1,749.91
WHITE HOUSE, DC	143,732.92	.00	143,732.92	.00	.00	.00	28,225.03
WHITE SANDS NM, NM	143,732.92	.00	143,732.92	.00	.00	.00	15,773.00
WHITMAN MISSION NHS, WA	1,749.70	.00	1,749.70	1.07	30.00	31.07	2,219,790.71
WILLIAM H. HART NHS, OH	1,749.70	.00	1,749.70	.00	.00	.00	35,253.24
WINEGARVINE NHP, MO	28,225.03	2.50	28,227.53	.00	.00	.00	428.44
WOLF TRAP FARM PARK FOR PER	112.89	12.39	125.28	.00	.00	.00	8,522,773.31
WOMEN'S RIGHTS NHP, NY	112.89	.00	112.89	.19	2.55	2.74	8,323,617.68
WRANGELL-ST. ELIAS N. PRESER A	3,992,209.55	.00	3,992,209.55	52,175.58	808,388.70	860,563.78	867,223.62
WRANGELL-ST. ELIAS NP, AK	7,656,394.06	.00	7,656,394.06	17,040.89	850,182.63	8,522,773.31	35,253.24
WRIGHT BROTHERS N. MEM., NC	35,253.24	.00	35,253.24	6.63	6.63	6.63	2,219,790.71
YIPPOHSTONE NC	2,219,790.71	20.40	2,239,991.11	.00	.00	.00	3,557.24
YIPPOHSTONE NC	2,219,790.71	10.19	2,229,980.90	.00	.00	.00	2,526,508.46
YOSEMITE NP, CA	2,526,508.46	.00	2,526,508.46	1,502.70	203.98	1,706.00	3,302,880.64
YUCCA HOUSE NM, CO	2,183,093.00	.00	2,183,093.00	4,839.00	338,777.46	2,526,508.46	8,398,208.17
YUKON-CHARLEY RIVERS N. PRES A	143,040.40	.00	143,040.40	.00	3,557.24	3,557.24	83,302,880.64
ZION NP, UT	74,682,334.90	222,437.57	74,904,772.47	4,250,310.67	4,147,897.50	8,398,208.17	
TOTAL ACRES							

FOOTNOTES:

- 1/ ADMINISTERED UNDER COOPERATIVE AGREEMENT WITH OTHER FEDERAL AGENCIES.
- 2/ FEDERAL LAND INCLUDES 9,448.00 ACRES ADMINISTERED BY U.S. FISH AND WILDLIFE SERVICE.
- 3/ FEDERAL LAND INCLUDES 9,654.67 ACRES UNDER THE CUSTODY AND ADMINISTRATION OF THE NATIONAL PARK SERVICE WITH THEIR INCLUSION IN THE PARK PENDING.
- 4/ FEDERAL LAND INCLUDES 220,000.00 ACRES IN THE HUALAPAI INDIAN RESERVATION.
- 5/ SHASTA AND TRINITY PORTION ADMINISTERED BY THE FOREST SERVICE. ONLY NATIONAL PARK SERVICE ACREAGE SHOWN.
- 6/ MANAGEMENT OF TRAIL HANDLED BY THE WASHINGTON OFFICE.

Report on Land That NPS Intends to Acquire

U.S. DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
Briefing Statement

February 1995

REGION/OFFICE: SystemwidePROJECT/ISSUE: Lands to be acquired with \$88,000,000 appropriated for fiscal year 1995 for Federal Acquisition and State Assistance.BACKGROUND: The fiscal year 1995 Land and Water Conservation Fund (LWCF) appropriation for the National Park Service, \$87,768,000, included: \$51,038,000 for Federal land acquisition, \$8,783,000 for Federal acquisition management, \$24,703,000 for State Grants, and \$3,244,000 for State Grant Administration.FEDERAL ACQUISITION AND ACQUISITION ADMINISTRATION:

For fiscal year 1995, \$51,038,000 was appropriated for Federal land acquisition by the National Park Service. The table below lists the National Park System units for which funds were specifically appropriated as well as lump sum appropriations for (1) Emergency/Hardship/Deficiencies/Relocation and (2) Inholdings/Exchanges.

An additional \$8,783,000 was appropriated for acquisition management. Acquisition management funds cover personnel and administrative costs such as transportation, utilities, supplies, and equipment for the administration, coordination, and evaluation of the Land Acquisition program of the National Park Service.

AREA	FY 1995 APPROPRIATION	ACRES TO BE ACQUIRED
Appalachian NS Trail	\$2,994,000	3,000
Assateague NS	599,000	48
Big Cypress N Preserve	1,996,000	2,330
Big South Fork NRA	998,000	1,300
Big Thicket N Preserve (Exchange)	1,497,000	10,766
Buffalo National River	499,000	290
Cuyahoga Valley NRA	1,996,000	183
Everglades NP	4,990,000	2,695
Fort Sumter NM	40,000	1
Fredericksburg-Spotsylvania NMP	499,000	200
Gauley River NRA	495,000	605
Gettysburg NMP	499,000	31
Golden Gate NRA	5,240,000	474
Indiana Dunes NL	749,000	70
Jefferson N Expansion Memorial	300,000	25
Little River Canyon N Preserve	2,994,000	8,580
Martin L. King, Jr., NHS	998,000	5
Palo Alto NB	499,000	294
Pecos NHS	499,000	70
Petroglyph NM	998,000	259
Saguaro NP	5,989,000	1,167
Santa Monica Mountains NRA	4,990,000	357
South Florida Restoration Grant	4,791,000	Unknown
Stones River NB	499,000	28
Inholdings and Exchanges	2,695,000	Unknown
Emergency/Hardship/ Deficiencies/Relocation	2,695,000	Unknown
FEDERAL ACQUISITION TOTAL:	51,038,000	32,778
FEDERAL ACQUISITION ADMINISTRATION:	8,783,000	N/A

Line-by-line, Park-by-park Determination of Where the
\$6.6 Billion in Assets are and How They are Evaluated

Fixed assets and their values as reported in the NPS financial statements for FY 1994 are:

Land	\$2,932,700,611
Land and water rights	403,665,618
Construction in progress	979,237,702
Buildings and other structures	2,381,835,258
Equipment, net of depreciation	368,042,907
ADP software, net of depreciation	467,854
Other fixed assets (statues, monuments, artwork, and misc.	<u>14,533,128</u>
Total fixed assets	<u>\$7,080,483,078</u>

Assets are recorded at cost when purchased. Lands that were part of the public domain when they became parks were not valued. These lands constitute a great majority of lands in the parks. During a recent hearing on the National Park Service, questions were raised regarding our ability to validate the accuracy of our assets. We acknowledge that we cannot substantiate the true values of our fixed assets; however, this problem is not unique to the Service.

There is presently a government-wide issue on how fixed assets should be recorded in agency accounting records and reported in financial statements. On February 28, 1995, the Federal Accounting Standards Advisory Board (FASAB), which was created to consider and recommend accounting principles for the Federal government, issued an Exposure Draft on Accounting for Property, Plant and Equipment (PP&E). The FASAB recognizes that due to the diversity of Federal agencies' missions, the assets they acquire, and the purposes for which the assets are acquired, that a single method of accounting for them is not adequate. The Exposure Draft provides recommended accounting treatments for various types of PP&E, and requests comments from agencies. The recommendations in the Exposure Draft, if adopted by FASAB, will significantly change the values of PP&E in NPS accounting records and how such assets are reported in our financial statements.

The Exposure Draft states, in part: "The Board believes that federal mission PP&E, heritage assets, and stewardship land should be reported on through a new type of report--a stewardship report. This new report would provide more meaningful information for these categories of PP&E than could be provided through the balance sheet and the operating statement treatment described for general PP&E (i.e., traditional accrual accounting with depreciation). The Board finds that for federal mission PP&E, heritage assets, and stewardship land (1) historical cost is often not relevant (or even determinable), (2) depreciation expense is not meaningful, or (3) useful life is not reasonably estimable in some cases--making

depreciation infeasible."

We believe that the FASAB opinion applies to nearly all National Park Service fixed assets. The FASAB will issue an exposure draft on stewardship reporting during 1995 which will address in detail the requirements for reporting. Accordingly, the Service will not attempt to validate its fixed assets, or change how those assets are reported, until the FASAB completes its evaluations and issues its standards for accounting and reporting.



IN REPLY REFER TO
L58(180)

United States Department of the Interior

NATIONAL PARK SERVICE
P.O. Box 37127
Washington, D.C. 20013-7127



APR 12 1995

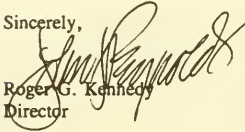
Honorable James V. Hansen
Chairman, Subcommittee on National
Parks, Forests and Lands
House of Representatives
Washington, D.C. 20510

Dear Mr. Hansen:

Enclosed please find additional information requested in your letter of February 28, regarding the February 9 hearing on Financial Management and the NPS Reorganization Plan.

The enclosed information has been prepared for insertion in the record. Thank you for the opportunity to provide these answers to the Committee.

Sincerely,

*Advis
FWS*

Roger G. Kennedy
Director

Enclosure

Reorganization

1. Given the decentralized organization that NPS now has, and the fact that it will become even more decentralized under the NPS reorganization proposal, good management and financial information systems become even more critical than they are now. Both the GAO and OIG have repeatedly reported on the poor quality of existing systems. How will the proposed reorganization address this problem? If it doesn't, why doesn't it?

Neither the GAO nor the OIG have identified any specific problem with financial management systems that preclude good management. When the NPS accounting system was first installed in FY 1991, it had numerous deficiencies. Over a period of years, NPS has corrected these deficiencies and customized the system to meet our management and reporting needs. The problems raised by the OIG in a recent report do not affect the current year accounting data available to the park manager. The problems the OIG identified are related to the audit process, internal controls process and old accounting data. Also, the Service has developed and implemented a park based accounting system interface that provides park managers access to accounting data in a familiar form. The accounting system is not the problem and the reorganization will neither improve nor hurt the quality of the financial management system.

2. Everyone would probably agree with the concept of reallocating persons from central offices to the field. Beyond that, your plan eliminates no existing offices, eliminates no existing layers of bureaucracy and adds 16 new support offices. I just don't see the efficiency inherent in this new organization. Wouldn't we be better served by completely eliminating a layer of bureaucracy such as regional offices or the Assistant Secretary's Office?

As the NPS downsizes it must find more efficient ways of doing business. We will have fewer people and fewer dollars to preserve resources and carry out our mission. Through the partnership between System Support Offices (SSO) and the cluster parks, the NPS will set up a structure where sharing of resources, including expertise, personnel, and services will be ensured. The SSO and parks within the cluster must share resources if work is to be done. Many aspects of the new organization contribute to the streamlining of the organization. Organizing park clusters along ecological and cultural association lines, for example, will allow support professionals to specialize more and understand park resources better in their clusters.

Another goal of the restructuring plan is to increase accountability by setting clear lines of authority and appropriate oversight. Eliminating the Field Directors Offices would result in an unacceptable span of control and thus decrease accountability.

3. More decentralization goes hand-in-hand with good accountability systems. Further, in this time of very limited budgets, accountability is more important than ever. Given the great deal of discretion park superintendents have about how they spend operating funds, what, if anything, do you plan to do to ensure that parks spend their funds in a manner which best meets the mission and objectives of the agency and Congress?

We feel that superintendents need some flexibility in managing operating funds since they are the people responsible for insuring the safety of employees and visitors, and the protection of our natural and cultural resources. They are currently accountable for their actions in terms of accomplishing the NPS mission and the purposes for which their parks were established. They will be even more accountable after the new organization, and the performance measure aspects of the Government Performance and Results Act, are implemented, because it is our intent to have objectives established for each park and performance contracts established for each superintendent, which will, of course, coincide with the

objectives of the agency and Congress.

Regarding budget accountability, superintendents are required to stay within their funding levels and to expend funds in a manner that prioritizes the protection of visitors and the resources. The amount of discretion superintendents have in expending funds is not as great as sometimes believed, since over 90% of base funds in many parks is needed for salaries or fixed costs, leaving little flexibility. We intend to improve our mechanisms for checking on the expenditure of funds in those cases where the expenditure has been clearly prescribed by either Congress or the administration.

4. In this same vein, currently NPS's 10 regional offices can and do operate with broad discretion. How one regional office operates is often quite different than how another one does. This situation further diffuses effective accountability at the park level, because expectations and emphasis varies from region to region. Under these circumstances, how are clear mission priorities and goals established and carried out from an agency wide perspective? How do top NPS officials know that scarce staff and fiscal resources are being spent efficiently and wisely? Is the reorganization going to deal with this? How?

A theme of the reorganization is that all knowledge of how to operate parks does not reside in Washington. Day to day decisions on how to fulfill the mission of the NPS must remain in the field, while policy will still be set by the newly established National Leadership Council, and superintendent accomplishments checked through performance contracts.

5. To improve federal accountability, the NPS, like all major federal agencies, will be required to meet the requirements of the Government Performance and Results Act (GPRA) in a few years. This legislation is the cornerstone of federal effort to make agencies more accountable by emphasizing a more results-oriented government. However, the effectiveness of this effort is largely based on the existence of good data systems--something the NPS does not have. How is the agency going to get there from here? Will the current reorganization plan help or hinder this effort? How?

The Government Performance and Results Act (GPRA) requires that the NPS develop a five-year strategic plan that covers the major functions and operations of the bureau and includes outcome-related goals. It also requires a description of how these goals and objectives are to be achieved and the resources required to meet these goals and objectives. In addition, GPRA also requires the preparation of an annual performance plan and the establishment of performance goals to define the level of performance to be achieved by a program activity. Performance goals are to be expressed in an objective, quantifiable, measurable form; performance indicators are to be used for the measurement or assessment of the relevant outputs, service levels and outcomes of each programmatic activity.

The NPS is in the process of revising its current strategic plan to meet the requirements of GPRA. Under the auspices of the NPS National Leadership Council which consists of the members of the Directorate, efforts are currently underway to review and reinvent, if necessary, the Park Services's mission, goals and objectives and to forge a performance plan. A Systemwide effort is currently being undertaken to create a performance measurement system that will be relevant and useful both for internal management and policy decision-making as well as for external evaluation of NPS programmatic activities. It is hoped that these measures will be comprehensive and include park-level measures as well as those that will reflect over-arching bureau goals and objectives. Indeed, the creation of park level measures will be one of our greatest challenges. Moreover, it is possible that as a result of the GPRA requirements, it may be necessary to restructure -- with the approval of the appropriation committees, of course -- the current NPS budget structure somewhat, in order to more directly link performance and results to the budgetary process.

These efforts will be undertaken within the context of the reorganized National Park Service, so that the final results -- the strategic plan, the performance plan, and performance measures -- reflect the current NPS operational structure that will be in place in FY 1999, the first year for which the NPS must submit a GPRA-influenced budget request.

6. Realizing the current Park Service organizational structure has been in place for many years, what specific problems with that structure will the new organization address? What problems have been identified with the old organization and what specific actions will be taken as a result of the reorganization to address them.

The basic model of the present NPS organizational structure was established in 1934. Today, the NPS has grown to 368 field units organized into ten regions (each with a regional director), a Washington office with both policy and programmatic functions, and various professional and technical centers located across the country. Over time, this model has become outmoded and increasingly incapable of responding to today's difficult fiscal constraints and the Service's vastly expanded mission and responsibilities.

The American public, too, has different expectations about the role of government. An organization that encourages greater involvement and participation in public issues is required. In addition, the public requires more responsive services and more efficient use of public tax dollars.

If the current structure remains essentially unchanged, internal and external collaboration will remain haphazard and decision making and authority will continue to be overcentralized. Much time, money, and effort will continue to be expended on work that does not enhance our ability to protect field unit resources, promote park and conservation values, and provide visitor, constituent, and customer services.

For real change to occur, empowerment, influence, and increased authority must be transferred to the elements of the organization closest to customers and resources. Without a substantially altered means of sharing authority and broadening participation and involvement in fundamental decisions, the momentum for change and improvement will not be generated. In today's extremely competitive environment, the inefficiencies of the current organization detract from our ability to accomplish our mission.

Because resources are not likely to increase in the foreseeable future, the NPS must make major changes in how it accomplishes its essential work or we risk failing in the vital mission to protect NPS resources and values. Much of the current dissatisfaction within the Service is related to this frustration with our inability to meet increasingly difficult and complex challenges and responsibilities. We do not believe this inability can be adequately addressed within the current structure.

7. Under the proposed reorganization, 11 of the 16 System Support offices will be co-located with Field Director offices. What steps have been taken to assure that where offices are co-located, functions such as administrative support are not duplicated?

The Restructuring Plan encourages offices and parks to share resources for mutual assistance and benefit. Given the required downsizing of all central offices, we are confident that our senior managers will not recommend duplication of services.

8. After the reorganization, will any central entity be responsible for monitoring how individual parks are being managed? How will this be done?

Each of the seven field directors will provide line supervision for the

one-to-three system support office superintendents and all field unit superintendents within the directorate's geographical area. The field directors will provide strategic planning as well as direction, oversight, and assistance in media relations and strategies. The field directors will serve on the NPS National Leadership Council with the Washington office associate directors and the Director and Deputy Director. As such, this group will set overall policy and direction for the Service and form the executive group for making decisions involving the NPS as a whole. They will also set the tone for teamwork, facilitation, and collaboration within the NPS, with the Service's partners, and with the public in striving to carry out the mission of the NPS. The field directors will implement Servicewide goals and objectives. They will have key responsibility to establish a partnership with the Congress and between and within clusters. Field directors complete the management circle by evaluating NPS employees based upon these new and broadened criteria.

The Servicewide responsibilities and span of control for the field directors will be substantially greater than that for the former regional director positions. Much operational and programmatic responsibility and coordination will, however, be moved down to the cluster level. Recognizing that evaluation and counseling will, in accordance with the National Performance Review, become a more continual and ongoing process, adoption of a simplified process for formal appraisals will be developed to reduce the workload associated with the increased number of positions supervised. The plan simplifies and strengthens vertical lines of accountability, connecting field units and support offices to one another through lateral accountability. Superintendents are accountable to field directors, who are accountable to the Deputy Director. Superintendents are empowered to plan and to act while securing the resources they need collaboratively. Along with that empowerment to plan and act comes a clear isolation of accountability to the field director for appropriate performance and operations by the field unit or support office.

9. To what extent, if any, was the NPS reorganization coordinated with reorganization efforts at other land management agencies like BLM, the Fish and Wildlife Service, and/or the Forest Service? Did the Park Service look for opportunities for increased efficiencies by integrating its activities with these other agencies? (e.g., co-locating field offices, consolidating administrative functions, etc.)

The NPS continues to coordinate its reorganization efforts with other land management agencies. NPS resources and programs are spread relatively evenly throughout the nation. However, BLM and Forest Service resources largely are not located in the east. Thus availability for co-location varies greatly from east to west. For example, BLM has only one regional office to cover all the east coast, including much of the southeast. We will continue to look for increased efficiencies as all the land managing agencies proceed with their reorganization plans.

10. It is my understanding that dozens of task forces involving hundreds of individuals have been involved in the reorganization plan. Could you tell us how much has NPS spent to date in terms of both staff time/salary and other support costs in the development of the re-structuring plan?

It is very difficult to segregate the costs of the restructuring, or reorganization, from the costs involved in streamlining and downsizing NPS central office staff.

While the NPS budget has decreased by \$47.6 million over the 2-year period of FY94/FY95 due to streamlining and central office FTE reduction, the NPS estimates that the costs of planning, information dissemination and implementing both the downsizing and restructuring to be \$1.5 million over the two years. These costs include the salary, travel and other costs for all individuals and task forces assembled directly for both of these efforts. However, the costs of

the many hours that central office and field level personnel devoted to making suggestions and reviewing restructuring options and ideas for the benefit of the future NPS have not been tracked.

11. The NPS reorganization plan is contingent upon Secretary Babbitt cutting 865 FTE's from other Interior Department bureaus. Republican House Members agree that cuts should not be taken across the board in all Interior Department agencies and have in fact proposed complete elimination of some Interior bureaus. Could you tell us which agency(s) would have to absorb these additional FTE cuts originally targeted for the NPS? Has OMB signed off on this approach?

The Department approved the NPS reorganization plan and submitted it to the Congress on January 17. On February 10, the Department received concurrence in the plan from the Appropriations Committee, House of Representatives. The NPS reorganization plan is not contingent upon cuts in other Interior agencies. FTE reductions proposed in other Interior agencies are consistent with each agency's streamlining plan. These plans have been approved by the Department and OMB.

12. Your re-programming letter does not discuss costs, yet it appears that this proposal will cost about \$70 million in one time moving costs alone. How do you propose to pay for the moves of 1350 people to parks and system support offices?

We do not plan to move 1,350 people from central offices to parks and system support offices.

While central offices will be reduced by approximately 1,450 between FY 1994 and FY 1999, and park levels will increase by approximately 1,200 over the same period of time, we do not expect this to be a direct transfer of personnel from one organizational level to another. Though we have transferred, and will continue to transfer, central office personnel to the field where there is a skill match, the majority of central office downsizing will be accomplished through buy-outs and attrition.

Whatever the costs to implement the plan fully will be, they will be included in future budget requests, beginning with FY 1996. Some of the costs of the new organization can be accommodated within the savings generated from downsizing, and we are determined to minimize all costs attributable to reorganization or downsizing.

In the President's FY 1996 request, \$4.0 million is requested to facilitate the movement of central office personnel to parks, where resources can more effectively be used. The need for similar annual appropriations is anticipated until the reorganization is completely implemented in FY 1999. But these costs are planned to be more than offset by the savings accrued by central office downsizing. The operational budget request of the NPS has been decreased by \$9.7 million in FY 1996 alone.

13. A January 6 memorandum from the Director specifically identifies that some of the 1000 FTE's to be relocated to parks will go to East Mojave, Natchez Trace, Mount Rainier, Bryce Canyon and Eisenhower. NPS has completed plans which call for 455 FTE at the Presidio and 100 FTE at the new East Mojave National Park. Which other parks will get the balance of the 450 FTE, how many FTE will go to each park and what criteria were used to select those parks?

Are all these parks ready to take on additional FTE in terms of adequate work space and quarters?

The level of FTEs at parks was increased by 261 in this fiscal year and our FY 1996 request would increase their total by an additional 301. These increases are generally based on the same criteria that have been the basis of

our park funding increases for the last several years - new or expanded units, resource threats, infrastructure or safety concerns, and problems caused by increased visitation. An analysis of whether or not the increased work can be contracted is also done before the request is made.

If the FTE ceiling for the NPS remains steady through FY 1999, we will be allocating an estimated 640 additional FTEs to parks in FY 1997 and FY 1998. Where these will be allocated specifically has yet to be determined, and will depend greatly upon our budget requests in those years.

In FY 1996, our request indicates our intended allocation for the Presidio is 275 FTE and for Mojave NP is 40 FTE.

14. Even if the NPS is only required to take a 460 FTE reduction in staffing, it is clear that some ongoing work will have to be curtailed. What specific programs are proposed to be eliminated or cut back in recognition of staffing reductions?

All aspects of our programs will be affected by the staffing reduction. Clearly, there are functions which are being accomplished at present which will be affected. Therefore, our first step will be reengineering: analyzing work processes to make them more efficient and responsive. In addition, as part of National Performance Review, we will reduce administrative requirements and regulations. This, in turn, could reduce the need for personnel in some administrative areas. Until we complete reengineering of some high priority, Servicewide work process and eliminate unnecessary requirements, we will not be able to prepare a list of specific programs or functions to be eliminated or cut back.

15. Why is the establishment of 16 service centers performing essentially the same functions with the same staffing levels preferable to 7 down-sized regional offices? What is the specific cost-savings which will result from this approach?

The FY 1994 FTE allocation to ten Regional Offices was approximately 1,900. The proposed FY 1999 FTE allocation to seven Field Directors Offices and 16 System Support Offices (SSO) is approximately 1,175 FTE. This reduction of 725 FTE constitutes a significant downsizing. In the new arrangement, the SSO and parks within the cluster must share resources if work is to be accomplished. Many aspects of the new organization contribute to the streamlining of the organization. Organizing park clusters along ecological and cultural association lines, for example, will allow support professionals to specialize more and understand park resources better in their clusters.

The reallocation of the 725 FTE to the parks can be considered a savings, as this FTE would not otherwise be available for park use. The costs of operating six new centers (seven SSO would be co-located with Field Director offices and three SSO would be located in currently existing Regional Offices) would be offset by savings accrued from operating significantly downsized offices in the original ten locations.

16. In your analysis of the restructuring plan, you state that responsiveness to the Congress will be reduced. Why should Congress approve a plan, knowing up front that it will mean our ability to do oversight will be compromised?

The NPS restructuring plan proposes to shift operational and programmatic responsibilities from the central office to the field. In doing so, the NPS has been able to minimize the overall number of FTEs lost to the agency in the governmentwide downsizing effort. However, by reducing the number of central office positions, many of which had direct and primary responsibilities related to Congressional response, the interaction between Congress and the NPS will

undoubtedly be altered. Still, with a goal of the new organization being to develop partnerships with the Congress and being responsive to its requirements for oversight, the NPS believes that the implementation of its plan -- which places a priority on putting limited personnel resources at the level at which they can be most effective -- will not compromise the ability of the Congress to perform oversight functions.

17. According to your testimony, cutting back in regional offices will ensure a "more effective" Service. Could you explain how this structure will be more effective?

The effectiveness of the NPS will be enhanced in many ways through the new structure. The new structure reduces unnecessary and duplicative layers of review and control. The cluster concept encourages effectiveness by: 1) connecting field units and programs more closely to encourage collaboration and cooperation; 2) linking the success of each field unit within a cluster to the success of others; 3) placing operational functions closer to the point of delivery and removing them from central offices as appropriate; and 4) providing flexibility for field units to respond to changing needs and challenges through the cluster organization which can quickly marshal shared resources to respond to changes and requirements.

In line with both the National Performance Review and the Service's efforts to enhance resource management, other beneficial outcomes include:

- ▶ Reducing central office overhead
- ▶ Eliminating unnecessary regulations and reporting
- ▶ Removing unnecessary layers of review and oversight
- ▶ Empowering employees
- ▶ Broadening the base of agency decision making
- ▶ Enhancing partnerships and partnership programs
- ▶ Increasing the emphasis on natural and cultural resource management and science
- ▶ Improving educational capacity
- ▶ Delivering more support services to park, program managers, and our primary customers, the visitors.

18. According to your testimony, the new organization will ensure consistency with national priorities and increase accountability. Could you explain exactly what elements of the organization will be put in place to accomplish these goals?

The National Leadership Council (NLC) -- composed of the seven field directors, the five Washington office associate directors, the deputy director, and the director -- will set overall policy, priorities, and direction for the Service and form the executive group for developing strategic direction and making decisions involving the NPS as a whole. They will collectively set the tone for teamwork, facilitation, and collaboration with the NPS, with the Service's partners, and with the public in carrying out the mission of the Service. The Council will lead the Service by providing the steering for putting Servicewide goals and objectives into place. Collectively, the leaders will determine the Service's overall legislative goals and strategies. The policymaking, leadership, and decisions of the NLC will be implemented by the line NPS officials in the respective operational and program areas of the restructured organization.

19. According to your testimony, the field support offices are located along ecosystem boundaries. This concept of ecosystem management has taken on a life of its own in terms of Federal land management, even though no one has been able to explain what it means. Could you tell me what scientific analysis of the United States has classified the entire states of Washington, Oregon, and Idaho as a single ecosystem?

The NPS clusters delineate generally conceptualized ecological-cultural-geographic cluster boundaries. The cluster is not solely an ecosystem division and the cluster boundaries do not match the proposed National Biological Service map. The NPS deals with many other park management considerations in addition to biological science matters. Thus, the NPS must accommodate the entire mix of NPS eco-cultural-geographic missions, programs, and partnership.

Both field office boundaries and field unit and partnership cluster boundaries were delineated based on the following criteria:

- Ecologically-based information including physiographic divisions and classes of land-surface forms.
- Information on historic, prehistoric, and contemporary cultures. Consideration was given to the industrial heritage of the Northeast and Midwest, the agricultural heritage of the Midwest, and both Native American and European settlement patterns.
- An assumption that approximately 60 field units would be an acceptable span of control for each field director. The number of field units per cluster will vary from approximately 10 to 35 with concomitant variation in the size of the system support office staff.
- Field Directorates were set along state boundaries to facilitate interaction and effective liaison with Congressional delegations and state governments.

20. Your plan focuses only on regional and central offices. While that is the common place for persons to cut overhead, to what extent did you examine the other 80% of ONPS funding and staffing in parks? Do you believe there are no economies to be made in park operations? How will you implement any such program?

Parks are not left out of the restructuring effort. Like central offices, the park structure will be flattened. The plan proposes to increase the supervisor/employee ratios by eliminating supervisors and establishing clear lines of authority. The role of parks will be expanded to encompass the broader NPS mandate, with each field unit actively supporting the larger system. Parks will become involved in expanded work and responsibilities--within the park, adjacent to the park, environmental leadership within the park's area of influence, and heritage education. Also, parks will participate in reengineering efforts to streamline work processes. This may allow them to redirect their available resources to other priorities.

21. In your allocations of FTEs you show a total of 15,230 FTEs for the Parks in 1995. Are you putting too many employees in the Parks? For example, at Shenandoah NP twenty five years ago there was a District ranger in charge of law enforcement and ranger activities for each of the 3 districts. The grade of each district ranger was a GS-9 or GS-11. Today, each district is managed by a GS-13 District Manager. The Shenandoah Park has been broken down into 3 separate parks. Why is it necessary to have this extra layer of supervision when 25 years ago all functions of the Park were handled by the Park Headquarters' office. What steps are you taking to streamline and reengineer the way parks are managed?

Like most parks, Shenandoah was managed using a traditional, functionally-specialized organization (divisions). Each functional area (maintenance, interpretation, resource and visitor protection, resource management) reported to a division chief at headquarters. This "chain-of-command" often resulted in delays in decision making and lack of coordination at the field level.

Like many companies, the NPS, and Shenandoah in particular, have recognized that functional specialization drives operations and people apart, rather than bringing them together. The focus of this type of organization is typically on the function or discipline (such as maintenance, law enforcement, and

inventorying resources) rather than on the end-user, customer, or mission.

In an attempt to develop an organization that delivers services in a demonstrably improved manner, Shenandoah implemented a new organizational structure in April 1994. One of the primary purposes of the organization is to develop integrated teams at the district level that include all functional areas. The goal of this effort is to replace old loyalties to functional specialties with emphasis on accomplishment of the mission.

To accomplish this, Shenandoah's three districts are now headed up by district leaders who have primary responsibility for all operations within that district. The district leaders have in essence replaced the division chiefs of the old organization who were located at headquarters. Decision making authority for most of the day-to-day operations now rests at the district level rather than at headquarters. Certain functions are still provided by support units at headquarters because they are parkwide in scope or it is not practical to locate them in the districts (communications center, engineering services, administrative services including personnel, information management including GIS, the professional level resource management staff, certain parkwide building and utility crews).

Following the lead of the private sector, Shenandoah's organization emphasizes horizontal communication and cooperation among units rather than vertical communication where all information flowed up to headquarters and then back down before anything could be done with it. Rather than having an organization that could appear to act as three separate parks (which was a danger under the old organization as well), the goal is to have an organization of integrated teams that support each other in accomplishing the mission of the Service.

22. Please provide a table showing the number of employees at each of the following parks 15 years ago and the number today. Also provide the annual visitation at these 15 years ago and visitational today. Breakdown the number of employees by seasonal/temporary permanent.

The comparisons requested for the nine parks are shown in three separate tables below. The number of employees is provided both in terms of FTE and positions. Visitation is expressed in terms of recreational visits. FY 1994 was the most recent year for which information is available. The year chosen to compare to FY 1994 varied from park to park, depending on the records available at the park.

Number of FTE

<u>Park/ Fiscal Year</u>	<u>Number of Permanent</u>	<u>Number of Seasonal</u>	<u>Total</u>
Shenandoah NP			
FY 1983	82	89	171
FY 1994	120	70	190
Cape Cod NS			
FY 1980	40	35	75
FY 1994	50	48	98
Yellowstone NP			
FY 1980	99	234	333
FY 1994	208	275	483
Yosemite NP			
FY 1980	225	165	390

FY 1994	333	183	516
Gettysburg NMP			
FY 1979	50	15	65
FY 1994	63	15	78
Golden Gate NRA			
FY 1980	216	10	226 <u>1/</u>
FY 1994	157	39	196
Great Smoky Mountains NP			
FY 1979	110	150	260
FY 1994	156	120	276
Olympic NP			
FY 1982	104	37	141
FY 1994	122	73	195
Acadia NP			
FY 1980	20	25	45
FY 1994	51	39	90

1/ Includes FTE associated with historic ship maintenance, now identified separately in allocation for San Francisco Maritime National Historical Park.

Number of Positions

<u>Park/ Fiscal Year</u>	<u>Number of Permanent</u>	<u>Number of Seasonal</u>	<u>Total</u>
Shenandoah NP			
FY 1983	88	169	257
FY 1994	129	112	241
Cape Cod NS			
FY 1980	45	120	165
FY 1994	65	134	199
Yellowstone NP			
FY 1980	201	530	731
FY 1994	212	457	669
Yosemite NP			
FY 1980	235	295	530
FY 1994	347	324	671
Gettysburg NMP			
FY 1979	60	65	125
FY 1994	80	17	97
Golden Gate NRA			
FY 1980	216	17	233 <u>1/</u>
FY 1994	164	47	211
Great Smoky Mountains NP			
FY 1979	115	215	330
FY 1994	164	174	338
Olympic NP			
FY 1982	114	113	227
FY 1994	132	156	288
Acadia NP			
FY 1980	25	65	90
FY 1994	53	145	198

1/ Includes positions associated with historic ship maintenance, now identified separately in allocation for San Francisco Maritime National Historical Park.

Number of Recreational Visits

<u>Park/ Fiscal Year</u>	<u>Recreational Visits</u>
Shenandoah NP	
FY 1980	1,699,228
FY 1994	1,877,077
Cape Cod NS	
FY 1980	4,603,000
FY 1994	5,158,050
Yellowstone NP	
FY 1980	2,000,269
FY 1994	3,076,262
Yosemite NP	
FY 1980	2,490,282
FY 1994	4,003,583
Gettysburg NMP	
FY 1980	1,096,364
FY 1994	1,644,857
Golden Gate NRA	
FY 1980	11,910,231
FY 1994	14,695,771
Great Smoky Mountains NP	
FY 1980	6,752,770 <u>2/</u>
FY 1994	8,688,972
Olympic NP	
FY 1980	2,032,418
FY 1994	3,388,208
Acadia NP	
FY 1980	2,153,197 <u>2/</u>
FY 1994	2,690,163

2/ The methodologies of counting visitation at Acadia and Great Smoky Mountains have undergone significant changes in the time period reported. - Estimated visitation has been severely adjusted downward from prior visitation estimates. The "best guess" of the NPS is that visitation at Acadia has increased 25% since 1980 and visitation at Great Smoky Mountains has increased 28% since 1980. The FY 1980 figures have been adjusted to reflect these trends.

23. It appears that the creation of 16 "systems" offices is creating another layer of management between the parks and the Washington office. Why do you need to create this "middle management" layer when the trend in business and industry is to reduce middle management positions? You say the "systems" office will only serve the parks and will not manage them. How do you plan to prevent the system superintendents or managers from becoming managers of the parks that he/she cares for in the cluster.

The System Support Offices are not another layer of management. The purpose of the System Support Offices is to provide direct specialized support to parks and external programs of the Service. Where it is found to be inefficient to provide direct support at the individual park level, small numbers of professionals in the System Support Office can serve a larger cluster of parks. The System Support Offices are a field unit similar to a park. The support office superintendent will have no line authority over the park superintendent. All superintendents, whether of a park or support office, will report to the field director's office. Cooperation and partnership between the support offices and the parks will be monitored through performance contracts for the superintendents.

Financial Management

1. How were the latest backlog figures developed? What specific guidance was given to Superintendents? Are they based on actual figures from the Maintenance Management System or are they superintendents "back of the envelope" figures?

The NPS has several backlog figures, including construction, other maintenance, park operations, resources management projects and land acquisition. As the question references the maintenance management system, we are assuming that it refers primarily to maintenance and construction related backlogs.

For the construction program, the Service has identified a current backlog of prioritized projects totaling \$2.9 billion, which includes \$1.3 billion in road construction. This list of priorities was developed at a Servicewide meeting in December 1993. The Service has also identified a listing of projects, totaling an additional \$1.5 billion, which have not been assigned Servicewide priorities. This would bring the total current construction backlog to \$4.4 billion.

Other maintenance backlog amounts are identified for repair and rehabilitation projects, cyclic maintenance funding shortfalls and a portion of park operational needs. The repair and rehabilitation backlog is about \$400 million, and is based on project needs identified by the Regions and parks. Cyclic maintenance (both regular cyclic and cyclic maintenance for historic properties) is about \$100 million short of the optimal level to maintain a fully funded cyclic program in which schedules do not have to be lengthened or projects deferred. For operations, the backlog of high-priority unfunded park base operational needs is slightly more than \$200 million, with \$77 million representing high priority operational maintenance requirements.

Specific guidance is provided when the Servicewide construction priority list is formulated. Each project fits into one of the following development objectives: (1) health and safety; (2) resource protection; (3) repair and rehabilitation; (4) new facilities or new areas; and (5) new or expanded facilities. The degree of threat and urgency is evaluated, along with the potential benefits. This information is communicated to the field in a guidance memorandum.

The Maintenance Management System (MMS) is not used for budget formulation. Rather the MMS is a computerized planning program which assists operations at individual park units by systematically identifying the method, course, and schedule required for proper upkeep of park facilities, equipment and resources. It contains all maintenance requirements at a park and makes no distinction between those which are funded or unfunded.

The system used to identify the operational maintenance, cyclic maintenance, and repair and rehabilitation backlog is the Operations Formulation System (OFS). The OFS is a recently developed, personal computer-based information system which contains the unfunded requirements of the Service other than Construction and Land Acquisition projects. It is in its third year of utilization and refinements of the system, as well as review of the information contained within, are ongoing. The information is updated at least twice a year, based on guidance issued by the Washington office. The OFS offers the park managers a professional, systematic means of identifying all unfunded operational requirements, using sound estimating techniques.

In calls issued to update the OFS, superintendents, as well as all other program managers, are urged to include the entire universe of their unfunded needs. They are also encouraged to weigh seriously the priority or urgency of the need, and indicate this urgency by use of several priority-related elements in the data base.

2a. In 1991, NPS reported an operational shortfall of \$377 million to Congress. Now just four years later, after Congress has increased the annual budget by over \$300 million, the NPS reports a \$846 million annual operating shortfall? How do you expect Congress to have any confidence in your estimates when they show no consistent pattern?

When GAO investigated the estimates for the shortfall in housing at 17 park areas, they found that not one park could justify their estimates. Do you believe that similar deficiencies exist in other shortfall estimates?

Have there been independent analysis conducted of any other NPS backlog numbers?

The \$377 million identified as an operational shortfall was in response to a question during the House Appropriations Subcommittee hearing for FY 1992, held in April of 1991. The amount represented all high priority park base requirements and included shortfall amounts identified for regional maintenance programs such as cyclic maintenance and repair and rehabilitation. Approximately \$215 million of the amount reflected shortfalls in the park base.

The \$826 million operating shortfall recently identified in response to a question from the Natural Resource Committee represents the current contents of the Operations Formulation System (OFS). The \$826 million amount represented the identified operational shortfalls as identified by all levels of the NPS, including parks, Regional Offices, Headquarters Offices, and Servicewide- and Regionally-managed project programs. In the ongoing updates of the OFS, the Service has asked its managers to categorize their requirements as high and low priority, as well as current or future needs. This gives the Service the ability to answer fully questions concerning the overall backlog level, while still being able to identify the most crucial or current requirements. Of the \$826 million identified in the most recent update, approximately \$209 million was identified at the park base level as "high priority, current need."

The Service believes that the \$209 million amount currently identified in the OFS most closely equates to the \$215 million amount for park base needs identified in 1991, rather than a comparison of the \$377 million and the \$826 million amounts.

Understanding this, one might then ask how the \$215 million amount from 1991 stacks up against the current \$209 million figure in OFS and what this represents in the way of progress against the backlog. If the \$215 million is adjusted for inflation to reflect 1995 costs, \$24 million would be added to the original backlog amount. Since 1991, 12 new parks have been established, including Mojave National Preserve, and Salt River and Brown v. Board of Education National Historic Sites. Requirements for these parks were not included in the 1991 shortfall; they are represented in the current backlog amount by a total of \$5 million. Finally, since 1991 there have been a number of actions which have caused the NPS to absorb costs totaling over \$35 million over the four year period. These actions included less than full funding enacted by the Congress for Federal pay raises, no funds provided for locality pay, and various reductions enacted by Congress against the final Department of the Interior appropriation. In "absorbing" these amounts, parks were forced to stop funded activities, shifting them to the unfunded category. These now unfunded activities are reflected in the more recently identified shortfall.

In sum, the adjustments described above would have effectively raised the 1991 shortfall amount of \$215 million by \$64 million, to a newly adjusted total of \$279 million, if no actions since that time had addressed the backlog.

Against this adjusted requirement, Congress provided a net total of approximately \$200 million in increases to the Park Management budget subactivity of the Operation of the National Park System appropriation from FY 1991 to FY 1995. Of the \$200 million, a net increase of \$171 million went into the park

bases, with the remainder going for servicewide and regionally-managed programs such as hazardous waste, cyclic maintenance, and inventory and monitoring.

The net increase of \$171 million in park bases from FY 1991-95 did not go in its entirety against the previously identified \$215 million shortfall. A significant portion of the \$171 million amount went for non-programmatic items, such as the funded portion of the Federal pay raises, ranger futures, conversion of temporary employees, benefit adjustments, and law enforcement comparability adjustments. None of these items were included in the \$215 million shortfall and, indeed, did not add any programmatic benefit. The non-programmatic increases totaled about \$65 million during this period, leaving only about \$106 million to reflect true programmatic increase actions.

If the \$106 million provided by Congress is subtracted from the adjusted \$279 million shortfall from 1991, it would seem logical that the NPS should be left with a shortfall of \$173 million rather than the \$209 million currently identified. However, there are other adjustments which must be taken into consideration. Included within the \$106 million in programmatic increases provided to park bases from FY 1992 to FY 1995 are some items which were not included in the original \$215 million park shortfall in 1991. Primary among these is an additional \$22 million provided to the Presidio for initial operations. Also included within the \$106 provided by Congress from FY 1992 to FY 1995 was about \$10 million added to park bases that was not requested. These amounts, while put to good use by the parks which received them, were not identified in the high priority list totaling \$215 million compiled in 1991. The sum of these actions total \$32 million, leaving \$74 million which could be assumed to have gone against the backlog amount from FY 1992-95. By subtracting the \$74 million from the adjusted figure of \$279 million, the current backlog should be \$205 million rather than the \$209 million identified in OFS. These numbers are certainly comparable.

There undoubtedly has been some growth in the backlog during the four-year period, even after adjusting for inflation and other factors. Indeed, while some items have been added to the backlog, others have dropped off the backlog list as priorities change. The operational "backlog" is undergoing constant change and must be adjusted for a variety of factors and circumstances, as they become known. The NPS firmly believes that the tools are present with the OFS system to maintain credible backlog figures and report them to Congress.

2b. When GAO investigated the estimates for the shortfall in housing at 17 park areas, they found that not one park could justify their estimates. Do you believe that similar deficiencies exist in other shortfall estimates?

The NPS believes that the OFS system provides an accurate picture of the unfunded needs of the Service and is largely consistent with prior estimates. Bearing in mind the fact that the data is entered at the park level and that the Service is moving towards an even more decentralized organization than at present, the ability of the NPS to justify the data can vary widely at individual parks. With time and added experience, and assuming adequate staff is available, the NPS believes that the data in the system can be further refined, improved and subjected to more stringent verification. We are currently revising our instructions for OFS update based on preliminary analysis conducted during the past year. Our goal is to provide clearer guidance so as to avoid duplication of data or wide fluctuations in estimates.

2c. Have there been independent analysis conducted of any other NPS backlog numbers?

The General Accounting Office has looked at what they termed "maintenance" backlogs at several different times in the past. Often these investigations combined construction needs and operational requirements. Studies and surveys by the National Parks and Conservation Association have also identified backlog amounts.

3. Does the Park Service have a system in place to routinely gather and update backlog information? If not, why not? What would be the cost of developing such a system?

As stated in the answers to previous questions, the Operations Formulation System (OFS) is a relatively new system that has been developed in-house to collect data on unfunded operational needs. The OFS is updated in a formal update call at least twice a year. It is available at the park level and can be updated at any point in the year. The Construction Formulation System (CFS) performs the same data collection for capital development needs. The NPS has plans to develop a third data base to collect specific requirements for all operations-related project programs. While preliminary work has been done on this data base, priorities have dictated that ongoing efforts be dedicated to refining the OFS and CFS systems. As with the other systems, once the development work is completed, the major future costs would involve the verification of information entered into the data bases and primarily entail additional staff time, often at the headquarters and regional office levels.

4. What level of confidence does NPS have regarding about the accuracy of the estimated backlog figures? Is NPS sure that the numbers are consistently derived, justified, and developed using the same criteria? How can NPS direct and manage the agency without reliable data on such a significant issue?

The NPS considers its backlog representations reliable for programming purposes, which is how they are used. The test of the value of our "backlog systems" is the projects presented in our annual budget requests. The NPS focuses its efforts on annually requesting high priority construction, land acquisition and operating needs that rise from its backlog lists, rather than constantly adjusting those lists for consistency and numerical accuracy.

Regarding the operations backlog specifically, two problem areas are currently receiving attention: (1) the inconsistency in the categorization of items indicating either high or low priorities; and (2) the lack of more standard criteria as to what constitutes "basic operations." Towards that end, the Operations Formulation System instructions are being updated and clarified so as to lead to a more consistent and accurate data base and an attempt is being made to develop consistent systemwide criteria for basic operations. The NPS understands fully the need for such data to aid in the decision-making process during budget formulation. That is why this effort has been underway and has been given high priority over the past several years.

6. It has been said that one of the reasons the backlog figures are so large is because they are inflated with many "wish list" items. That is, things the park units would like to have but are not necessary for successful operation of the park system. Would you please offer your thoughts of this criticism? If you agree, can you estimate how much of the backlog falls into this category? If you don't agree, what is your opinion based on?

The Operations Formulation System (OFS) contains both high priority, basic operational needs as well as lower priority and "in the future" needs. Depending on one's perspective, one could certainly classify at least a portion of the "low" priority needs as comprising a "wish list." Often the "in the future" needs, while not required until a later date, can fall into the high priority category rather than a "wish list." An example would be the requirement to operate a visitor center which is under construction. Once construction of the center is complete and the facility is open, the operational need will be immediate and high priority.

Of the \$826 million in unfunded operational needs (in the Park Management budget activity of the Operation of the National Park System appropriation only) identified in OFS, the data is categorized as follows:
(\$000)

	Park Operations	Regional Maintenance Programs	Central Office/ Servicewide Programs	Total
High Priority/ Current Need	209	75	166	450
High Priority/ Future Need	84	43	133	260
Low Priority/ Current Need	71	0	17	88
Low Priority/ Future Need	<u>25</u>	<u>0</u>	<u>3</u>	<u>28</u>
Total	389	118	319	826

7a. Of the estimated \$846 million annual operational backlog, what is included in this figure? Are there items in this backlog estimate such as fence painting or are they truly big ticket items? Is there any prioritization of the items in this backlog estimate to ensure that the most critical are addressed first, especially with the scarce limited resources now available?

The magnitude of an individual request in the Operations Formulation System (OFS) varies from park to park. While instructions have indicated a preference for larger, more comprehensive operational increase requests, parks have sent in requests for as little as \$3,000 and as much as \$2,000,000. Nevertheless, one of the attributes of OFS is its ability to take a large request and break it down to smaller components. The \$2,000,000 increase for "upgrading the park maintenance program" may be broken down into North District road maintenance (\$450,000), South District road maintenance (\$350,000), trail maintenance (\$500,000), basic sanitation (\$100,000) and hazardous waste management (\$600,000). The data in OFS is built with thousands and thousands of individual request components and can be packaged as funding allowances permit. A large request can be reduced to a more manageable amount; a series of tiny requests can also be packaged together.

There are several priority indicators in the data base. As previously discussed, a Regional Office has the ability to categorize a request as a high or low priority and a current or future need. The superintendent places a park priority on each individual request - our example of "upgrading the park maintenance program" may merit a park priority of 3, behind operating the new visitor center and increasing patrol hours parkwide; the park also has the ability to prioritize the various components within a request. For example, the South District road maintenance may rank higher than the funding required for the North District road maintenance. Trail maintenance may have the lowest priority of all component items in the increase request. The next priority assigned is by the Regional Director. At present, the regional office compiles all park requests and adds a Regional priority for each request in the submission. The Regional Director could assign regional priority 18.0 to the maintenance program at this park. The region could also break down this large request into several smaller ones, each with different "regional" priorities.

While the NPS does not currently assign an official "Servicewide" priority

for operational increases (there are over 2,000 individual increases in the OFS data base), the headquarters review does establish a priority among individual increase items. For example, resource professionalization may rank higher than enhancement of the Servicewide Air Quality Program. Both of these items may fall behind a training initiative in priority. A park operations initiative, comprised of several high priority park items, may be the top priority. By utilizing all the various priority rankings available in OFS and through the ranking of all final budget increases included in the budget request by top NPS management, the Service tries to ensure that the most critical items are addressed first.

It should be noted that items such as fence painting may or may not be included in a park's operational requirements. A task such as this could also be included as part of a larger request for cyclic maintenance in our project programs.

7b. For example, Lake Mead has several wastewater treatment plants which have been cited for repeated violations of code, but NPS has yet to request any funds for their replacement. At the same time, the agency is seeking millions of dollars to relocate fully useable facilities out of Yosemite Valley. It is unclear how these priorities are set.

Before December, 1993, this project had no Servicewide priority. When the National Park Service re-ranked its Servicewide Construction Priorities in December, 1993, this project received a very high priority of 27 out of a total of 121 projects ranked. Although this represents a high priority ranking, several years of planning are required before Construction funds can be requested. This project will be a high priority for inclusion in the FY 1997 budget request.

With regard to the comparison between the Lake Mead project and the project to move facilities from Yosemite Valley, there is no absolute answer to the question of which project is more critical. In the opinion of the senior managers of the Service, a Servicewide priority of 10 was assigned to the Yosemite effort while the Lake Mead priority received a ranking priority of 27. The Yosemite project represents an ongoing resource protection initiative to protect a World Heritage Site for future generations by moving facilities out of Yosemite Valley, while the Lake Mead sewage treatment plant deficiencies currently represent non-life-threatening discharge violations, which, of course, should be addressed as soon as prudently possible.

8. Just as the backlog in operational funds has grown despite substantial Congressional increases, the backlog in construction has grown as well. In the last 6 years while Congress was pumping over \$1.5 billion in construction money into the parks, the backlog grew from \$1.9 billion to over \$6 billion. Is there any indication to Congress and the taxpayers that the existing program is addressing the most significant health and safety problems in the NPS?

The NPS Servicewide priority backlog of \$1.9 billion six years ago should be compared to the current prioritization of \$2.9 billion. The current priorities are concerned mostly with resource protection, repair work or the correction of health/safety situations. These three areas make up 82 percent of our priorities, and the NPS annual budget requests are generated from our priority listing.

The problem of our inability to reduce our backlog is not that we are requesting funds for reasons other than reducing the backlog, but rather due to the facts that only about \$100 million per year is committed to its reduction, and that the "backlog" grows each year with the addition of newly deteriorating facility or road situations. This year's backlog is not the same as the backlog of six years ago nor will it be the backlog of tomorrow.

The only way to guarantee a decrease, over time, in a given backlog figure would be to ensure that sufficient funds were made available each year so that more buildings and roads were being brought up from the "poor" to "good" condition than were falling from "fair" to "poor" or from "good" to "fair" condition during the same period of time. In 1988, an NPS task force worked on this issue and determined that the optimal annual level for construction (in 1988 dollars) was \$150 million and an optimal Federal Lands Highways Program (FLHP) road construction level would be \$175 million. In terms of the 1995 dollars, this optimal funding level translates to \$187 million for construction and \$218 million for FLHP road construction.

Over the last six years, the Service has received an average annual line item construction appropriation of \$172.9 million and an average FLHP appropriation of \$73 million. Although the level of FLHP road construction funding has totalled only one-third of the recommended optimal level, the NPS line item construction appropriation has been within ten percent of the recommended optimal funding level. On closer examination, however, the \$172.9 million, six year average annual appropriation level has been composed of 63 percent Congressionally added projects and only 37 percent NPS requested projects. The statistics are outlined below:

Fiscal Year	Total Line Item Appropriation	\$ Appropriated, NPS Request	(\$ in 000's) \$ Appropriated,
			Congressional Adds
1990	156,650	22,908 (15%)	133,742 (85%)
1991	214,036	58,138 (27%)	155,898 (73%)
1992	216,628	58,291 (27%)	158,337 (73%)
1993	172,522	77,526 (45%)	94,996 (55%)
1994	151,524	97,488 (64%)	54,036 (36%)
1995	126,465	66,843 (53%)	59,622 (47%)
Totals:	1,037,825 (100%)	381,194 (37%)	656,631 (63%)

The chart shows that the average dollar value of NPS-requested line item construction appropriated annually during the last six years was only \$63.5 million, which is far less than the average optimal construction appropriation recommendation of about \$170 million. If an adjustment is made for the fact that approximately 40% of the Congressionally added projects were projects also identified on the Service's construction priority lists, the six year average annual construction program level might climb to about \$107 million. This level would still represent only 60% of the line item construction required annually to keep up and actually diminish the size of the construction backlog over time.

9a. In the last few years the number of sources and amount of non-appropriated funds to parks has increased substantially. NPS now has tens of millions of dollars coming into the agency off-budget. What monitoring is ongoing to ensure the integrity of these funds?

The National Park Service has several authorities that allow it to receive income from other sources. Most of these funds (which total about \$50 million or 3.5% of the level of funds that is appropriated) are represented in our annual budget requests, such as donations and income from the rental of quarters. In all cases, except the concessions special accounts, income is deposited directly in the Treasury and program cost accounts established in the NPS accounting system (FFS). In turn, all obligations and expenditures for program purposes are also recorded in FFS and are subject to the usual audit procedures. As for the concessions special accounts, these are funds retained by concessioners and deposited in banks of their choice. They have been established in accordance with concession contracts and are reviewed by the Concessions Management Division. All uses of these program funds are concurred in and monitored by the Concessions Management Division.

9b. For example, it is my understanding that the NPS will receive over \$20 million in entrance fee funds in FY 95. Are all of those funds going to operate entrance stations? I understand that entrance station rangers in some parks have been increased to grade GS-9 with full law enforcement commissions. Do you believe that was the congressional intent on the use of those funds?

The NPS will not receive over \$20 million from its "Fee Collection Support" account in FY 1995. With recreation use fee revenue estimated at \$79 million in FY 1995, 15 percent of this amount, or an estimated \$11.85 million, would be available for fee collection costs without being subject to appropriation, as specified by law. Under the NPS legislative proposal for recreation use fees that was transmitted to Congress in 1994, the amount estimated to be collected in FY 1995 under that legislation was \$140 million. This would have resulted in 21 million being available for fee collection. Congress, however, did not enact the proposed legislation (which would have resulted in significantly increased fee revenue) and fee revenue is currently estimated at \$79 million for FY 1995. The ultimate amount available to the NPS in FY 1995 will be based on the actual amount of fees collected in that fiscal year in accordance with P.L. 103-66. The exact amount will not be known until the end of the fiscal year and will equate to 15 percent of whatever amount is collected. For that reason, legislation to be submitted shortly will propose that the year on which the 15 percent calculation is made be changed. It will propose that the calculation be made on the prior year rather than the current budget year to facilitate administrative efficiency and more precise planning.

As mandated by law (P.L. 103-66, the Omnibus Budget Reconciliation Act of 1993 amending the Land and Water Conservation Fund Act), the NPS is authorized to retain up to 15 percent of the fee revenue collected in any year to cover the cost of fee collection for that year. Costs covered include actual fee collection, as well as other direct costs associated with this effort, such as the utilities for facilities dedicated to fee collection, fee collection signs, the printing of Golden Eagle and Golden Age passports, fee collection training, armored car services, and audits of the fee program. While the NPS has instituted a general upgrade of the park ranger series under the Ranger Careers Initiative, fee collectors were not included in this upgrade and will no longer be classified in the series GS-025 (park ranger). Rather, the NPS is in the process of reclassifying fee collectors as Visitor Use Assistants (GS-303-04 and 05). Supervisors for this function will be at the GS-06 and 07 level. These levels are consistent with prior levels.

The NPS utilizes these fee collection funds according to the direction and intention of the Congress, and accounts for them separately.

10a. Of the estimated \$6 billion backlog in major construction, what is included in this figure?

The last meeting to set Servicewide Construction Priorities occurred in December, 1993. That meeting established a prioritized backlog of \$2.9 billion, including \$1.3 billion in road construction. At the time of the meeting, a list of \$2.7 to \$3 billion in other candidate projects, which failed to be designated as priorities, was assembled for further analysis. That non-priority listing was reduced to \$1.6 billion in the past year, resulting in a currently stated construction backlog of \$4.5 billion in prioritized and non-prioritized projects. On-going further analysis is attempting to identify an updated, pared-down list of projects that the NPS can focus on as a representation of its backlog.

The current construction backlog by type of work and by development objective is as follows:

NPS Construction Backlog by Type of Work
(\$ in millions)

<u>Work Type</u>	<u>Servicewide Priority Projects</u>	<u>Unprioritized Backlog Projects</u>
Buildings	693	459
Staff Housing	156	147
Landscape, Trails & Misc.	502	253
Utilities	278	38
Roads	<u>1,304</u>	<u>642</u>
Totals:	2,933	1,539

NPS Construction Backlog by Development Objective
(\$ in millions)

<u>Development Objectives</u>	<u>Servicewide Priority Projects</u>	<u>Unprioritized Backlog Projects</u>
Health/Safety	770	377
Resource Protection	719	231
Repair/Rehabilitation	912	293
New Facilities, New Areas	339	129
New/Expanded Facilities, Existing Areas	<u>193</u>	<u>509</u>
Total:	2,933	1,539

10b. How much of this backlog estimate is attributable to Congressional line-item construction add-ons displacing NPS projects?

The chart below shows that, since FY 1990, \$128 million in NPS-requested line item construction has not been appropriated by Congress. This \$128 million has remained as part of our backlog. A direct relationship between the amount of Congressionally - added construction (also shown) to the size of the NPS backlog cannot be made.

Recent Congressional Reductions to NPS Construction Requests
(in \$000's)

<u>Fiscal Year</u>	<u>\$ Appropriated, NPS Request</u>	<u>\$ Appropriated, Congressional Adds</u>	<u>Congressional Reduction to NPS Request</u>
1990	22,908	133,742	0
1991	58,138	155,898	13,000
1992	58,291	158,337	25,169
1993	77,526	94,996	14,943
1994	97,488	54,036	38,107
1995	<u>66,843</u>	<u>59,622</u>	<u>36,697</u>
Totals	381,194	656,631	127,916

11. Of the \$1-2 billion backlog in land acquisition, what are the component parts of this estimate; how much is critical to the Park Service's carrying out of its mission?

As of September 30, 1994, there was a total of 992,000 acres of privately owned land within the boundaries of the National Park System (excluding Alaskan parks). At the end of each fiscal year, the National Park Service compiles an acquisition backlog which identifies critical acquisition needs throughout the System. A copy of the component parts of the current backlog is attached. The current backlog identifies 323,105 acres of privately owned lands for which acquisition is necessary to protect resources, to provide for visitor use, and to facilitate park management. The estimated cost to acquire the 323,105 acres is \$1,397,577,636.

The backlog is a listing of all privately owned lands within the National Park System (excluding Alaskan Parks) that have been identified for acquisition and for which appropriated funds are needed but not available. The tracts and acres listed on the backlog are derived from each park's Land Protection Plan which identifies all privately owned land in the area and recommends the minimum interest necessary to protect the area. Lands not to be acquired or are protected either by zoning or cooperative agreements are not included in the backlog.

Land Protection Plans are prepared under the guiding principle of providing protection of each unit of the National Park System to be consistent with the stated purposes for which the unit was created. Land Protection Plans are prepared with public involvement. Private property owners, State and local governments and interested parties are involved and given an opportunity to comment on each plan. The Land Protection Plans determine what land or interest in land needs to be in Federal ownership, and what means of protection other than acquisition are available to achieve the purpose for which the unit was established by Congress. Land Protection Plans are coordinated with a unit's general management plan and are also in compliance with environmental laws and administrative directives.

All the land identified in the backlog, therefore, is critical to carrying out the mission of the National Park Service. All units of the National Park System, with a few exceptions, such as National Monuments, were authorized by Congress. It is our belief that all land within a unit of the National Park System is critical for the protection of the resources within each park or are needed for visitor use. The Land Protection Plans have determined that some of the private land that Congress included within each unit can be protected by methods other than by Federal ownership. The backlog includes those privately owned lands where acquisition is necessary for resource protection or public use.

12. As a result of new parks and facilities coming on-line over the past 10 years, what has been the net effect on your operating budget and how much have maintenance and construction backlogs increased as a result of new park units and facilities?

New parks and new facilities have an effect on both the operational budget requirements and backlogs of the Service. Since 1981, there have been 32 new parks authorized. These parks currently have operating bases totaling over \$45 million. In addition the Operations Formulation System (OFS), the NPS data base containing a listing of unfunded operating requirements, shows almost \$17 million in additional operational shortfall amounts. Still, in recent years, well over 80 percent of operating increases requested have gone to parks in place prior to 1981, and budgets or needs for "older parks" still represent well over 90 percent of the total funds available for parks or identified within the OFS.

It is harder to assess the result of new facilities on the operational shortfall, but the OFS currently shows \$48 million in unfunded requirements in park areas as a result of new responsibilities which have accrued due to the expansion of both land and facilities. Approximately \$25 million of the \$48 million amount is identified as high priority, current need. This represents over 10 percent of the high priority, current need identified at parks. Clearly, the assumption of new responsibilities, whether through new construction,

rehabilitation of existing facilities or transfer of lands and structures, has resulted in increasing operational costs or requirements.

A survey of the same 32 parks shows that the Servicewide Priority listing for construction contains projects totaling \$6.3 million for these parks. Projects for these units without a Servicewide priority ranking total \$116 million. These amounts are incomplete, as many of these parks do not have fully completed and approved planning documents to guide future development.

NATIONAL PARK SERVICE
LAND AND WATER CONSERVATION FUND
BACKLOG AFTER FY 1995
(EXCLUDES ALASKAN PARKS)

AREA	TRACTS	ACRES	ESTIMATED VALUE	STATUTORY CEILING BALANCE
Inholdings	2,098	29,940	\$217,044,000	None
Acadia NP	99	1,097	24,500,000	0
Alibates Flint Quar NM	1	0292	330,000	0
Amistad NRA	1	1,208	1,000,000	None
Antietam NB	45	410	2,409,110	None
Appalachian NST	220	8,646	12,051,000	0
Assateague Island NS	25	52	701,000	0
Aztec Ruins NM	16	274	2,186,000	None
Bent's Old Fort NHS	2	56	283,800	513,107
Big Bend NP	21	23,622	2,690,600	1,500,000
Big Cypress NPres (Addition)	1,970	7,827	7,300,000	39,559,000
Big South Fork NR&RA	39	9,088	7,543,000	7,543,000
Bighorn Canyon NRA	5	2,046	682,100	0
California Desert	Unknown	Unknown	300,000,000	300,000,000 *
Cane Riv Creole NHP	Unknown	194	Unknown	None
Cape Cod NS	50	304	34,015,950	0
Cape Lookout NS	2	7	55,000	1,000,000
Channel Islands NP	3	60,545	59,100,000	0
Chattahoochee Riv NRA	25	498	22,280,720	0
C & O Canal NHP	141	2,623	19,500,000	- 0
City of Rocks NRes	21	6,023	1,756,700	2,000,000
Cumberland Island NP	11	1,696	14,986,400	0
Cuyahoga Valley NRA	365	1,091	43,956,500	1,176,980
Dayton Aviation NHP	4	1	125,000	None
Del Water Gap NRA	82	427	5,440,000	None
Ebey's Landing NHRes	50	6,471	9,343,400	79,000
El Malpais NM	33	3,667	2,797,703	5,542,763
Everglades NP (Expansion)	10,754	39,735	42,010,000	0
Fire Island NS	234	70	22,000,000	1,092,788

Fort Donelson NB	3	9	47,300	0
Fort Frederica NM	3	2	230,000	0
AREA	TRACTS	ACRES	ESTIMATED VALUE	STATUTORY CEILING BALANCE
Fort Laramie NHS	1	1	1,760	None
Fort Raleigh NHS	3	108	5,610,000	None
Fort Smith NHS	16	36	359,000	359,012
Ft Union Trad Post NHS	7	45	99,220	64,734
Fred & Spots Co NMP	84	1,368	28,151,000	None
Gauley River NRA	120	7,425	6,105,000	None
G Wash Birthplace NM	1	12	55,000	None
Gettysburg NMP (Expansion)	53	1,546	10,501,000	None
Golden Gate NRA	88	2,701	59,760,000	0
Golden Spike NHS	16	532	182,500	303,171
Great Basin NP	250	5,000 (min)	200,000	200,000
Great Sand Dunes NM	1	1,833	330,220	265,000
Gulf Islands NS	10	689	830,000	0
Haleakala NP	27	347	6,092,200	0
Harpers Ferry NHP	20	58	2,585,000	250,000
Hopewell Culture NHP	11	479	1,500,000	None
Indiana Dunes NL	115	1,046	16,000,000	0
Jefferson NEM NHS	8	75	1,000,000	1,111,007
Jimmy Carter NHS	8	23	21,770	95,000
John Day Fossil Beds NM	12	2,805	430,000	3,054,003
John Muir NHS	1	1	220,000	None
Kalaupapa NHP	1	72	1,100,000	- 909,860
Kaloko-Honokohau NHP	1	26	20,100,000	24,095,111
Keweenaw NHP	2	1,870	5,000,000	5,000,000
Knife River NHS	2	165	400,000	327,903
Lake Chelan NRA	161	458	16,320,000	0
Lake Mead NRA	38	17,092	1,680,000	0
Lowell NHP	20	121	10,600,000	0
Lyndon B Johnson NHP	41	1,022	2,500,000	1,127,703
Manassas NBP	66	671	11,240,000	501,173
Minute Man NHP	31	119	6,392,000	6,392,000
Monocacy NB	7	507	12,000,000	11,769,617
NP of American Samoa	1	4,500	Unknown	None

New Orleans Jazz NHP	Unknown	Unknown	Unknown	None
New River Gorge NR	434	16,113	13,947,430	0
Nez Perce NHP	14	460	1,200,000	1,200,000
AREA	TRACTS	ACRES	ESTIMATED VALUE	STATUTORY CEILING BALANCE
North Cascades NP	5	203	98,000	0
Obed Wild & Scenic Riv	20	809	490,000	0
Olympic NP	79	236	3,950,000	0
Ozark NSR	21	958	510,000	0
Palo Alto Battlefld NHS	13	2,672	4,601,000	5,001,000
Pecos NHP	27	437	3,001,000	None
Petroglyph NM	123	571	5,677,000	None
Piscataway Park	3	163	3,000,000	None
Point Reyes NS	95	1,135	17,184,200	411,702
Prince Wlm Forest Park	2	1,161	22,825,000	None
Rocky Mountain NP	9	100	550,000	0
Saguaro NP	29	2,860	27,600,000	0
Salt River Bay NHP	26	257	13,850,000	None
S Antonio Missions NHP	8	128	4,050,000	5,847,500
Santa Monica Mtns NRA	161	29,391	81,010,000	0
Saratoga NHP	3	321	1,445,000	204,000
Sequoia NP (Mineral King)	39	169	3,430,000	None
Sleepng Bear Dunes NL	64	1,985	4,500,000	4,767,985
Stones River NB	18	87	727,500	0
Timucuan E&HPres	23	2,545	8,633,040	None
Tumacacori NM	5	30	290,000	0
Tuzigoot NM	4	743	2,215,000	1,350,000
T Roosevelt NP	4	233	140,000	None
Upper Deleware S&R Riv	2	37	2,768,000	None
Valley Forge NHP	10	146	14,518,000	2,358,435
Virgin Islands NP	244	1,592	52,100,000	None
Voyageurs NP	76	1,718	10,416,000	997,833
War in the Pacific NHP	49	167	9,000,000	12,929,953
Weir Farms NHS	2	3	Unknown	None
Women's Rights NHP	3	1	120,513	120,513
Totals:	19,161	323,105	1,397,577,636	451,020,854

- * Statutory ceiling for acquisition by NPS and BLM at areas affected by the California Desert Protection Act of 1994. NPS acquisition needs and costs have not yet been determined.

13. The testimony we have received today is very troubling. I am particularly disturbed by Inspector Fleischman's audits of the National Park Service's financial statements. The listing of a \$793 mobile radio at over \$79 million and a \$150 vacuum cleaner at over \$800,000 is clearly unacceptable. Director Kennedy, this Congress cannot make informed appropriation or authorization decisions without receiving accurate financial data from you. Will your reorganization plan address these serious accounting issues? How will you ensure mistakes such as these do not continue to occur in the future?

Information provided by the National Park Service to the Congress in direct support of appropriation and authorization activities is accurate. However, some of the data reflected in the annual financial statements prepared pursuant to the Chief Financial Officers Act needs improvement. Therefore, to the extent that the appropriation and authorization committees consider summary level information such as assets, liabilities, and cash flows, the financial statements are not a valid source of information in all respects.

Most of the deficiencies in the financial statements resulted from activities during the 1988-1990 consolidation of our finance offices, and during the conversion to a new accounting system in 1991. To make improvements in the new accounting system and in day-to-day financial operations, and to implement new initiatives that benefit park operations, correction of prior year account balances has proceeded slowly. Late last summer we began developing a detailed action plan to correct the problems, and the Department of the Interior and the Office of Inspector General concurred with the plan in October. We have since established a team of highly qualified personnel who are proceeding with the project which, when completed, will correct data that cannot be verified, correct reporting deficiencies that affect the financial statements, and will improve internal controls to help prevent future deficiencies.

The errors cited by the Inspector General in the property inventory system represent data entry errors in a system that contains over 300,000 entries. These errors have been corrected. The amount listed in the file has no material effect on the financial management of the park since the property system is restricted to inventory control.

Implementation of the NPS Restructuring Plan is not part of the project to correct the deficiencies in the financial statements. Those deficiencies will be corrected as previously described. The restructuring plan will, however, provide for improvements in financial operations and related activities. The central finance office will continue as a Servicewide administrative support center. Field Director and Systems Support Offices will provide services, including financial service support, to parks that do not have their own capability, and the park cluster arrangement will allow for parks within a cluster to share expertise in support of each other. -

14a. In these times of increasing budget deficits, it has become more difficult to justify new land acquisitions and construction projects, particularly when so many existing parks are in a state of serious disrepair. I feel that involvement of the private sector in the funding of new acquisitions and projects would tend to increase the likelihood of funding projects that are truly worthwhile. I appreciate my colleague, Mr. Torkildsen's efforts in this vein by requiring 25 percent of funding for the Salem Maritime NHS to come from non-Federal sources. What are your views on involving the private sector to an even greater degree in the Service?

Through the National Park Foundation and others, we are endeavoring to increase the participation of the private sector in projects contributing to park objectives. There are some limits to what can be accomplished as private contributors tend to prefer new capital investment to the rehabilitation of existing infrastructure. In addition, the NPS will submit fee legislation that includes authority for the NPS to solicit donations for authorized NPS programs

and purposes.

14b. What would be the effect of requiring half the funding for all new acquisition projects to come from non-Federal sources?

It is possible that the degree of interest and support in specific projects could justify such non-Federal participation. In general, such an approach would not work in every situation. As the Congress considers new legislation that involves acquisition, cost sharing should be considered in appropriate projects.

14c. To what degree do surrounding localities have a role in the management of national parks?

Virtually all of the parks in the System depend on the surrounding localities for some degree of support. Cape Cod, for instance, has no overnight accommodations inside the boundaries. Even in western parks that have more extensive infrastructure, the trend has been to depend on local communities for a larger share of services.

14d. What would be the effect of expanding the role of surroundings localities in management of national parks?

Many parks have advisory groups and friends organizations that are designed to provide a public forum for considering subjects that are of mutual interest to parks and local communities. In congressionally created Heritage Areas, representative commissions integrate park and community interests. We find that they have worked well.

14e. Would this increase the accountability of NPS?

To the extent that these devices provide a vehicle for publicly scrutinized decision making, it might be said that they increase "accountability." The principal responsibility for decisions remains with the park superintendent.

15. Given that both the IG and GAO have found substantial deficiencies in NPS financial management, could you tell me if your reorganization plan provides for increased or decreased funding for these activities? Precisely what increase in staffing is proposed?

All central office functions including the finance office have been targeted for downsizing in accordance with the National Performance Review and employment reductions mandated by Congress. Recent central office downsizing efforts have been accomplished principally by the use of the buy-out authority and an active placement program (moving central office people to high priority park positions). The Accounting Operations Division has been among organizations most affected by these efforts and, as a result, the rate at which this organization has been downsized has outpaced our ability to streamline the operations. Corrective action is being taken to provide adequate staffing levels, by phasing reductions in the Accounting Operations Division, to ensure an appropriate level of accounting system support to the parks is maintained and, at the same time, to make the corrections necessary to meet the IG's demands.

16. The IG testimony states "without accurate accounting and sound financial management, the Park Service's ability to identify, and marshall its resources to accomplish its mission will be hampered." We are talking about more than just balancing the books, but rather the fundamental ability of the agency to carry out its mission. Do you agree with that? What do you propose to do about it?

We believe that park and program managers have accurate and complete information on the status of money and manpower resources available to them to

carry out their responsibilities. They know how much funding has been allocated to them, and very detailed accounting reports are distributed to the field, usually within three business days after the close of each month. These reports list all transactions that affected funding status during the month just ended, summary reports by organization, activity, object classification, and other distributions, including year-to-date totals and remaining fund availability. In addition, many of the parks have on-line access to the accounting system whereby they can verify the status of transactions at any time. Those parks without such access can obtain real-time information by calling their regional office or the accounting office. The deficiencies in the Servicewide financial statements have no effect on day-to-day park operations, operational decisions, or the status of funds. All available funds, whether from appropriations or collections, can be accounted for by source and use.

Regardless of the quality and timeliness of financial information provided to park and program managers, the financial statements need improvement. We need accurate financial statements that reflect investments in the park system, to evaluate the status of debts owed to the Service and amounts payable by the Service to others, and other information on operations as reflected in financial statements. As described in the answer to the previous question, we have a project underway to correct financial statement deficiencies. We have already begun working with the Office of Inspector General in preparation for the audit of our 1995 statements.

Improvements are also needed in other areas that affect amounts reported in the financial statements. For example, we need to establish a property subsystem in our accounting system that will result in consistent data being reflected in accounting and property records. We intend to establish a property subsystem in our accounting system when another bureau completes its similar implementation so that we may take advantage of their work. In the meantime, the inventory records are being reviewed to correct obvious errors in inventory values such as the examples mentioned by the Deputy Inspector General. Values and methods of reporting fixed assets in financial statements, such as land and structures, is currently being addressed by the Federal Accounting Standards Advisory Board since this is a government-wide issue. We have participated in meetings of the Board on this matter.

In other operations that come under the financial management umbrella, funding provided by recreation fees is distributed to park and program managers as specified in authorization and appropriations acts. These funds and their uses are tracked accurately in the accounting records, as are all other fund sources and uses. We continue to review park expenditures at selected parks to confirm that fund usage is as mandated by appropriation acts. Concessioner operations are continuously being evaluated, including the return to the government on concession contracts.

Other activities in process that will interface with accounting records include implementation of new procurement methods and operations, and an integrated personnel and payroll system. We are also actively participating in a coordinated Department-wide effort with all other bureaus to identify where improvements can be made in all aspects of financial and related operations.

17a. Why didn't the NPS implement the 1988 amendments to the Land and Water Conservation Fund Act and expend entrance fee funds as specifically directed by Congress? In how many other cases have you not followed specific congressional direction with regard to expenditures.

The NPS has followed congressional direction in this matter and disputes the claim that it has not. The 1988 amendments to the Land and Water Conservation Fund mandate that the NPS expand its fee program and, upon appropriation by Congress, utilize the funds realized through the program for research, resources management, interpretation and maintenance related to

resources management. Fee revenue collected is deposited into a Special Treasury account and is available for appropriation back to the NPS in the following year. Funds are to be distributed to parks areas by formula, as specified in the law. Since FY 1989, Congress has appropriated the funds within the account to the NPS in the year following collection. The NPS has distributed and expended the funds in the manner prescribed by law. The Service follows all congressional direction in regard to expenditures.

17b. In your FY96 budget, the NPS is seeking to further increase fees. Why should Congress provide that authority if the NPS is intending to spend funds as they see fit?

The NPS expends current fee revenue as prescribed by Congress in P.L. 100-203 (amending the Land and Water Conservation Fund). The soon-to-be-proposed legislation would make the portion of the fee revenue generated as a result of the new legislation available to the NPS without being subject to appropriation. Revenue collected under current law would still be subject to appropriation and would be utilized as at present. The new legislation would create a "Park Renewal Fund" to help address the serious backlog concerns of the NPS. It would provide a greater incentive for park managers to maximize fee collection. Strict accountability procedures would be put in place to ensure proper use of the funding. At the end of each fiscal year, a report would be provided to Congress detailing the use of all funds. The NPS believes the fee legislation and its provisions are essential in meeting growing demands in this era of increasing budgetary constraints.

18. Maintenance of park facilities is certainly an issue of great importance to many members. When the public visits parks they expect restrooms to be clean and adequate facilities available. However, as I understand it, even if Congress directed NPS to their total allocation for maintenance or ear-marked an increase in maintenance funds for a specific park, superintendents still have the final say on how much actually gets spent. For example, the IG found that NPS diverted maintenance funds for administrative purposes. Is this true?

There is less flexibility in park budgets than is imagined. Most of the money in a park's operating budget is pre-determined, going to pay for staff whose functions remain constant over the years. When parks do get increases, most of those are not functionally specific, that is, they have been either for pay increases (or partial pay increases) or for "across-the-board" needs. Where there have been specific funding increases requested by NPS and enacted by Congress, or, even more rarely, operational increases at specific parks earmarked by Congress, those funds are generally spent on the intended function. The superintendent does have the ability, however, to use increased funding for unforeseen events that occur which threaten the visitor or the resource, or to cover the absorption of mandatory costs in non-earmarked functions that were not included in the appropriation (for example, pay increases are not always fully appropriated), so that those functions do not deteriorate. We intend to improve our mechanisms for checking on the superintendent's rationale in those cases where he/she feels forced to use any "earmarked" appropriation contained in the budget justification or Congressional reports for other legal and legitimate purposes.

19. In the late 1980's, NPS spent somewhere between \$5-10 million to develop an agency-wide maintenance management program. Today, GAO reports that system to be inoperable. Do you have any plans to fix it? How much more will that cost?

The National Park Service strongly disagrees with recent testimony by the GAO before the Subcommittee on National Parks, Forests, and Lands, Committee on Resources, and the Subcommittee on Interior, Committee on Appropriations, House of Representatives that the Maintenance Management Program (MMP) is inoperable. The MMP has continued to be operated in nearly every NPS unit since its

implementation during 1987 and 1988. The program has evolved through several versions and enhancements since its inception. Program enhancements have been made in response to field recommendations received through the Regional Offices and the Washington Office. Program enhancements are continuing on an ongoing basis with an NPS staff computer programmer.

The existing program still functions and enables Park maintenance managers to plan, organize, direct and control day-to-day, routine maintenance work activities. This process enables managers to direct the proper resources at the right time to maintain the park infrastructure.

Probably the most frequently heard concern of the program is that because its data base structure of Cobol is unique, the information cannot currently be accessed to create ad-hoc reports as easily as can be done in other data base type programs. Another concern is that the original program is now almost ten years old, and has not kept pace with current software technology. In response to these and other concerns, NPS has four task groups of field users reviewing current and future programming needs for MMP as well as other maintenance software programs. Recommendations from these task groups, with help from technical and software experts, will determine the direction of future programming efforts.

Our cost for the current enhancements being made consists of the salary of a GS-12 computer programmer. At this time we do not have a cost estimate for future programming enhancements; these costs cannot be identified until recommendations are formulated from our field task groups. Once the recommendations are submitted, a functional statement for design can be developed and cost estimates established.

20. Could you give the committee an estimate of the number of off-budget programs administered by the NPS and an annual estimate of the amount in each? How do you monitor expenses in these accounts? Do other land management agencies have similar off-budget program?

A list of non-appropriated funds available to the National Park Service and the actual income in each during FY 1994 is shown below. The income is deposited in the Treasury (with the exception of the concessions special accounts) and obligations are incurred by program managers throughout the Service. The total obligations and expenditures in these program accounts are subject to the same rules and controls as with appropriated funds, and are tracked through the NPS accounting system. The National Park Service does not have any specific knowledge about the programs of other land management agencies relative to this issue.

Unappropriated Funds Available to the National Park Service

FY 1994
Actual
 (in thousands)

Funds Documented in the Budget:

Operation and Maintenance of Quarters	\$10,736
Educational Expenses, Children of Employees, Yellowstone NP	750
Payment for Tax Losses on Land Acquired for Grand Teton NP	30
Operation, Management, Maintenance and Demolition of Federally Acquired Properties, Independence NHP	40
Delaware Water Gap, Route 209 Operations	97
National Park Service Donations	6,342
Preservation, Birthplace of Abraham Lincoln	2
Fee Collection Support	11,353

Other Non-appropriated Fund Sources:

Living Farm/Living History Demonstration Sales	2,215
Mess Operations	68
Income from Sale of Replacement Equipment	1,148
Wolf Trap Farm Park Loan Repayment	300
Leasing of Historic Properties	593
Damaged Marine Resources Recovered	212
Income from Special Use Permittees	3,787
Income from Lowell Commission	290

Concessions Special Accounts:

Shenandoah NP	171
Acadia NP	133
Olympic NP	61
Badlands NP	20
Mount Rushmore	277
Wind Cave	2
Yellowstone NP	4,122
Buffalo NR	5
Grand Canyon NP	238
Lake Mead NRA	193
Sequoia NP	443
Yosemite NP	4,263
National Capital Parks	363

The amounts shown for concession special accounts are derived from the 1994 annual reports from concessioners. All 1994 reports have not yet been received. In addition, this listing of unappropriated funds available to the National Park Service excludes reimbursable programs.



ISBN 0-16-047090-0

9 780160 470905 90000

A standard 1D barcode representing the ISBN 0-16-047090-0. The barcode is composed of vertical black bars of varying widths on a white background. The numbers 9, 780160, 470905, and 90000 are printed below the respective segments of the barcode.